

The Determinant of Environmental, Social, and Governance (ESG) Disclosures on Firm Value with Auditor Reputation as a Moderating Variable

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ABSTRACT

This ponder points to evaluate and analyze the affect of natural, social, and administration divulgences on firm esteem, with reviewer notoriety serving as a directing variable. This ponder includes companies recorded within the SRI KEHATI file. A quantitative approach and relapse investigation of panel data are connected to gather data from 34 companies amid the period 2019 to 2023. Besides, the limited component strategy (FEM) demonstrate is taken as an choice. The comes about of the examination test carried out utilizing EvIEWS Adaptation 10 demonstrate that the connected demonstrate meets the criteria set for the investigation. In expansion, the assurance coefficient (R²) esteem coming to 96.44% demonstrates that the firm esteem variable can be clarified exceptionally palatably. based on various factors analyzed in this think about. Social revelation encompasses a positive affect in spite of the fact that not exceptionally noteworthy; the most discoveries demonstrate that natural revelations have a negative and noteworthy affect on firm esteem. Components in administration too have a noteworthy negative affect. In expansion, there's an lopsidedness between natural, social, and administration (ESG) revelations and firm esteem impacted by evaluator notoriety. These comes about improve investors' and companies' understanding of the centrality of communication and procedure inside the Natural, Social and Administration (ESG) system. .

Keywords: SRI-KEHATI Index, Company Value, ESG Disclosure, Auditor Reputation

INTRODUCTION

The utilize of data and communication innovation, counting the web and social media stages, has played a significant part within the improvement of today's businesses. The speed of data dispersion through this innovation can have an affect on a company's picture, which in turn can influence stock cost changes, money related execution, and eventually the esteem of the company. Assessing the esteem of a company plays a pivotal part for financial specialists in surveying the company's execution and the level of showcase certainty (Rudangga & Sudiarta, 2016). There are different components that impact the esteem of a company, counting ESG and GCG. The ESG aspect is progressively significant within the setting of maintainable venture, where speculators not as it were center on budgetary returns but too pay consideration to the social and natural impacts of each venture they make. Worldwide challenges related to maintainability, activity on climate alter, and a low-carbon economy are presently the center of investors' consideration. (Tjahjadi et al., 2021; Folqué et al., 2021; Lei et al., 2023).

In Indonesia, the government through the OJK has backed companies to conduct maintainability detailing as portion of endeavors to preserve comprehensive and feasible financial soundness. The SRI KEHATI File created by the IDX and the KEHATI Establishment is the most

reference for speculators who prioritize ESG standards within the Indonesian capital showcase. This list appears that companies that center on natural, social, and administration issues tend to have superior stock execution (Melinda & Wardhani, 2020). The significance of ESG divulgence, which influences company esteem, moreover leads to expanded open and government mindfulness of natural and social issues. A case consider in Indonesia appears that companies that are proven to harm the environment will lose their notoriety, which eventually contains a negative affect on company esteem. The prosecution of these companies highlights the significance of social and natural obligation in maintaining long-term corporate maintainability (Tirto.id). Hence, companies have to be consider ESG as an necessarily portion of their commerce methodology to preserve and increment shareholder esteem. To overcome the issue of data asymmetry, the part of evaluators gets to be critical, particularly in analyzing budgetary reports and corporate maintainability. The think about gives observational prove that inspector notoriety can direct the affect of ESG revelation on profit and firm esteem development. Hence, this consider centers on companies recorded on the SRI KEHATI record by adding the inspector notoriety variable as a mediator to more comprehensively decide the affect of ESG on firm esteem. (Zahid, Khan, et al., 2022).

In expansion, later thinks about have appeared that consolidating ESG into trade hones can moreover upgrade corporate esteem creation on a worldwide scale. As buyer and speculator request for feasible items and administrations increments, companies that effectively coordinated ESG standards into their operations have a more noteworthy chance of drawing in speculator and customer intrigued. This not as it were makes companies more competitive within the eyes of speculators but moreover makes a difference companies accomplish long-term maintainability and strength to advertise and administrative changes. (Almost & Diab, 2018; Yoon et al., 2018). By counting the inspector notoriety variable as a mediator in this consider, we anticipate to discover a clearer and more grounded relationship between ESG revelation and firm esteem, particularly within the setting of the Indonesian capital advertise. The utilize of reviewer notoriety as a directing variable is once in a while utilized in past considers, so this consider can make a noteworthy commitment to the related writing. This ponder too points to assist companies increment shareholder esteem through way better ESG administration and offer assistance speculators make more educated and mindful speculation choices. .

LITERATURE REVIEW

Stakeholder Theory and Legitimacy Theory

The partner hypothesis presented by R. Edward Freeman in 1984 emphasizes that companies must pay consideration to the values of partners, not fair shareholders. Partners comprise of individuals or bunches who play a coordinate or backhanded part in impacting the accomplishment of a company's objectives. This approach permits organizations to control intuitive with partners and guarantee that desires of all parties are recognized within the company's decision-making handle. In differentiate, the authenticity hypothesis presented by Dowling and Pfeffer in 1975 emphasizes how vital authenticity is to an organization. Concurring to Suchman (1995) as cited by Abdul Rahman and Alsayegh (2021), authenticity can be caught on as a collective see or conviction that the behavior of an organization is in line with the values, standards, and convictions that exist in society.

Agency Theory and Firm Value

Office hypothesis was proposed by Jensen and Meckling in 1976 and talks about the legally binding relationship between the central (company proprietor) and the specialist (company director). This hypothesis distinguishes office issues, or clashes that emerge when the interface of the specialist contrast from the interface of the foremost. In this circumstance, administration can make choices that advantage themselves more than the company proprietors, hence making a potential struggle of intrigued. Checking, such as reviews, is imperative to address this issue and guarantee that administration acts in understanding with the interface of the proprietors (Kusumawardani et al., 2021). Company esteem is regularly translated as a advertise esteem that reflects a company's capacity to supply most extreme riches to its shareholders, as a rule reflected in stock price appreciation. Administration looks for to extend shareholder esteem through different implies that eventually move forward the welfare of proprietors and shareholders. There are different strategies for measuring firm

esteem, such as markdown models, P/E proportion, PBV, and Tobin's Q, each advertising a diverse viewpoint on how to degree firm esteem (Revinka, 2021; Chiu et al., 2021; Ozdemir et.al, 2023; Thomas, 2021).

ESG Disclosure and Auditor Reputation

ESG revelation alludes to a company's endeavors to clarify its commerce approaches and exercises within the setting of natural, social, and administration standards. Concurring to Luqyana (2023), ESG may be a standard speculation hone that coordinating and executes company approaches in line with the ESG concept. Evaluator notoriety plays an vital role in reviewing and, agreeing to organization hypothesis, is one of the foremost imperative observing procedures to decrease the hazard of data asymmetry and exploitative exercises and make strides execution and straightforwardness. Review quality for the most part increments with the estimate and notoriety of the bookkeeping firm. Expansive and well-known bookkeeping firms tend to preserve their notorieties by conducting high-quality reviews and keeping up objectivity .

Framework

This research model is hypothesized and designed to explain the relationship between ESG disclosure and firm value with auditor reputation as a moderating variable. This model aims to test how ESG disclosure affects firm value and how auditor reputation strengthens or weakens this relationship.

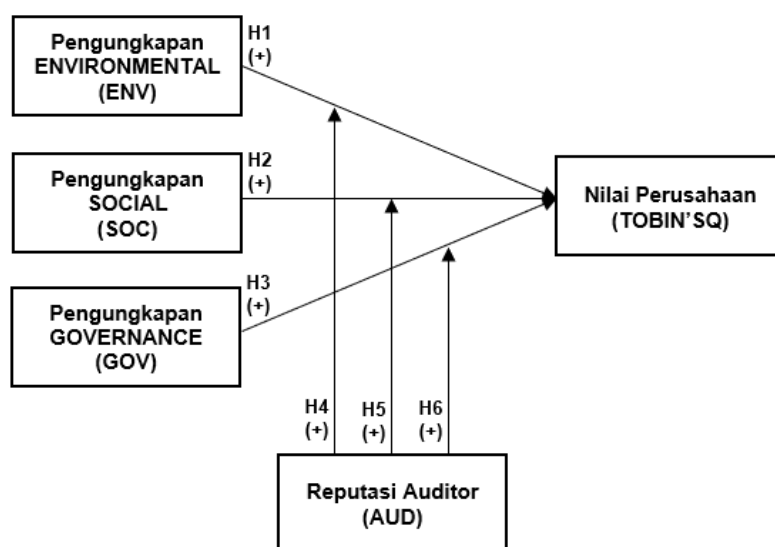


Figure 1. Framework of Thought

The Influence of Environmental Disclosure on Company Value

Based on authenticity hypothesis and a number of past ponders, the affect of natural revelation on firm esteem appears shifting comes about. For case, Ningwati et al. (2022) found that the conveyance of natural data can have a noteworthy negative affect on a firm's esteem. This may be due to the tall costs related with complying with natural directions and feasible ventures that don't generate significant benefits within the close future. Another ponder conducted by Yoon et al. Agreeing to inquire about (2018), revelation of natural data can progress a company's notoriety and increment financial specialist certainty, which in turn can contribute to expanding the esteem of the company .

The Influence of Social Disclosure on Company Value

Regarding the influence of social information disclosure on company value, stakeholder theory and previous studies show varying results. In 2018, it was found that proper disclosure of social information can have a positive effect on a company's value. However, another study conducted by

Husada & Handayani (2021) indicated that social information disclosure does not always have a significant impact on company performance.

The Influence of Governance Disclosure on Company Value

Agency theory and various previous studies indicate that a lack of transparency in governance can have a detrimental effect on a company's value. Studies conducted by Kartika et al. (2023) and Zahid Khan and his group (2023). (2022) revealed that effective management is generally accompanied by increased transparency and accountability, which in turn can strengthen investor confidence and shareholder value. However, if the implementation of governance disclosure is not carried out properly, this can result in costs that are not commensurate with the benefits obtained, and ultimately can harm the company.

The Effect of Auditor Reputation Moderates the Effect of ESG Disclosure on Firm Value

A study conducted by Ningwati (2022) shows that the disclosure of environmental information has a significant negative impact on the value of a company. This situation may be due to high spending on environmental investment and minimal returns in the near term. However, Zahid and Khan note that the impact on shareholder value may not be significant (2022), given that increasing environmental costs are still more influential than the benefits of a positive auditor reputation. Regarding social disclosure, Zahid and Taran and colleagues stated that. A positive reputation of the auditor in 2022 provides additional assurance that the report on social responsibility is presented accurately and comprehensively. However, because social benefits are usually long-term and not always directly visible in the value of the company, its impact on the value of the company tends to be minimal. Regarding governance disclosure, Kartika et al. (2023) and Zahid, Khan et al. (2022) stated that the provision of sufficient information can often increase transparency and accountability, reduce potential risks, and strengthen investor confidence. A positive reputation of an auditor can increase investor confidence in the disclosure of information regarding corporate governance, but its impact on firm value depends largely on how such disclosure is implemented.

Research Hypothesis

Thus the hypothesis follows:

- H1: Environmental disclosure has a positive impact on firm value.
- H2: Social disclosure has a positive impact on firm value.
- H3: Transparency in management has a positive impact on the value of a company.
- H4: Auditor reputation increases the impact of environmental disclosure on firm value.
- H5: Auditor reputation increases the impact of social disclosure on firm value.
- H6: Auditor reputation increases the impact of governance disclosure on firm value.

RESEARCH METHODS

This population-oriented consider centers on companies recorded within the SRI KEHATI File, with testing carried out utilizing the purposive inspecting strategy. This strategy gives an opportunity for analysts to distinguish 34 companies that meet certain criteria amid the period 2019 to 2023. The reason of this think about is to assess the impact of ESG revelation as measured by Tobin's Q on the esteem of a company and to understand the directing part of reviewer notoriety within the relationship. Relapse examination that coordinating time arrangement and cross-sectional components through the utilize of board information is carried out using three fundamental strategies:

CEM, FEM, and SEM. The choice of the foremost fitting show is carried out through the Chow and Hausman test, which capacities to compare different models. Encourage information examination is carried out utilizing Eviews 10. In common, this consider investigates the impact of ESG disclosure and evaluator notoriety on company esteem, and how these two variables influence companies

recorded within the SRI KEHATI file between 2019 and 2023. Look at whether it has an impact. The objective is to discover out in profundity how these two components are interrelated .

FINDINGS AND DISCUSSION

Statistics Description

The statistical description is presented as follows:

Table 1. Results of Descriptive Statistical Analysis

| Variabel | Nilai Minimum | Nilai Maksimum | Nilai Rata-Rata | Simpangan Baku |
|----------|---------------|----------------|-----------------|----------------|
| ENV | 0.040000 | 6.300000 | 2.049647 | 1.644125 |
| SOC | 0.210000 | 7.390000 | 3.511059 | 1.582206 |
| GOV | 3.010000 | 6.520000 | 4.606447 | 0.800985 |
| ESG | 1.460000 | 5.390000 | 3.138882 | 0.904538 |
| TobinsQ | 0.118240 | 3.922917 | 1.262301 | 0.678230 |
| AUD | 0.000000 | 1.000000 | 0.729412 | 0.445576 |

Source: Data Processed with Eviews 13

From the table above, the descriptive analysis of each variable studied can be described as follows:

1. **Environment(ENV):** The normal ENV esteem accomplished by the overviewed guarantors was 2.049647, whereas the most reduced esteem was for bank backers at 0.040000. This may be since the managing an account division actually contains a lower natural affect than other businesses such as mining, vitality, and fabricating. Hence, the greatest ENV esteem of 6,300,000 was accomplished by mining emitters whose trade forms are related to certain themes such as materials, vitality, outflows, wastewater, natural compliance, and others. The standard deviation of the ENV score of 1.644125 is the most elevated esteem compared to SOC and GOV. This implies that the ENV score on the SRI KEHATI list has the foremost assorted conveyance compared to other columns. By and large, this ponder analyzes how ESG disclosure and inspector notoriety influence company esteem and the affect of both within the context of companies recorded on the SRI KEHATI list for the 2019-2023 period. This points to supply an in-depth understanding of how these components associated to influence company esteem.
2. **Social(SOC):** The normal SOC score accomplished by the overviewed backers was 3.511059 with a least score of 0.210000. Healthcare organizations are suspected of being less straightforward or falling flat to routinely report important social information, such as quiet security, working conditions, and social activities. The need of solid and straightforward information can lead to a decay in social notoriety. In any case, in 2023, the issuer's ENV score expanded essentially to 4,300,000. In any case, guarantors locked in within the development segment come to a modern record tall of 7,390,000. This may be since the development industry prioritizes laborer security and requires comprehensive revelation of specialist security data. The standard deviation of the SOC score is 1.582206. Compared to the standard deviation of ENV and GOV, the dissemination of SOC information can be said to be very reliable .
3. **Governance(GOV):** The normal GOV score accomplished by the overviewed guarantors was 4.606447, which is the least score for healthcare backers compared to the least ENV and SOC scores of these backers, in spite of the fact that the GOV score is really a tall score. In the interim, backers within the managing an account industry come to an all-time tall of 6,520,000. Given that companies in the banking industry are required to have more compliant and transparent corporate governance than other industries due to regulations related to macroeconomics, financial policies, and the interests of the wider community. This seems very reasonable. The standard deviation of the GOV score is 0.800985. When compared to the standard deviation of ENV and SOC, the GOV data can be said to have the most consistent distribution.

4. **ESG:** The average ESG score achieved by the surveyed issuers was 3.138882, with the lowest score in the health sector issuer at 1.460000. This may be because the issuer is not ready to disclose ESG-related information, especially because of the obligation to implement ESG disclosure early on and the issuer does not have a business process that is directly related to the environment. The number of mining issuers is currently 5.39 million. The standard deviation of the ESG score is relatively low at 0.904538, which shows the distribution of ESG performance data across the entire study population.
5. **Tobin's Q:** The average Tobin Q score achieved by the research subjects was 1.262301. In general, this track record shows that the issuers we studied have a high market value of their company assets compared to the replacement value of those assets. This shows that the market views the company very well. Investors consider the issuers studied to have good growth prospects, high returns, and sustainable competitive advantages. The lowest Tobin's Q score was 0.118240 for bank issuers, and the highest was 3.922900 for health issuers. The standard deviation of the Tobin Q score is 0.678230 which is relatively small. This shows that the distribution of Tobin Q-score data between issuers included in the SRI KEHATI index is quite consistent or there is no significant gap.

Classical Assumption Test Results

Multicollinearity Test

The multicollinearity test is as follows:

Table 2. Multicollinearity Test Results

| Variable | Coefficient Variance | Uncentered VIF | Centered VIF |
|----------|----------------------|----------------|--------------|
| C | 0.097900 | 45.56003 | NA |
| ENV | 0.006952 | 22.28524 | 8.693863 |
| SOC | 0.003732 | 25.73226 | 4.322205 |
| GOV | 0.006490 | 66.01518 | 1.926357 |
| ENV_AUD | 0.007478 | 19.55224 | 11.19451 |
| SOC_AUD | 0.005152 | 21.62354 | 8.461601 |
| GOV_AUD | 0.003784 | 28.10052 | 8.198992 |

Source: Data Processed with Eviews 13

Based on the multicollinearity test in the table above, it can be seen that the model in this study has a multicollinearity problem because the central VIF value of the ENV_AUD variable is greater than 11.19451 or 10..

Heteroscedasticity Test

The results of the heteroscedasticity test show a chi-square probability value of 0.0308 or it can be concluded that the model in this study experienced heteroscedasticity ($0.0308 < 0.0500$).

Autocorrelation Test

In this study, the dL value of 1.6767 and dU of 1.8226 were determined from the Durbin-Watson table with a sample size of 170 and 6 independent variables ($k = 6$). However, the statistical dW value of the test results produced was 1.038683. Because this value is smaller than dL, it can be concluded that the model has positive autocorrelation. This means that there is a correlation between the residuals of this model which can bias the estimation results.

From the results of the classical assumption test, the following conclusions can be drawn:

1. There is a multicollinearity problem because the ENV_AUD variable has a VIF value of 11.19451 or more than 10, which means that the variable has a correlation with other variables.

2. There is a heteroscedasticity problem because the chi-square probability value is 0.0308 or less. 0.05, which means that the variance of the error (residual) is not constant, causing the t-test and F-test to be invalid.
3. There is a positive autocorrelation problem because the dW value is 1.038683 or below the dL value of 1.6767, which means that the residuals are correlated with each other.

In order to improve the model, it is necessary to overcome the classical assumption problems above with several approaches or steps as follows:

1. Combining the ENV_AUD variables with SOC_AUD and GOV_AUD into one index (obtaining the average value of the three variables);
2. Performing a natural logarithmic transformation on the TOBINSQ variable (Cleophas, T.J., Zwinderman, A.H. (2016); And
3. Adding the AR(1) variable to the model (Aleksandrovich & Upadhyaya, 2015).

Implementation of the above improvement steps produces a new regression equation model, namely as follows:

$$\text{Log(TobinsQ)}_{i,t} = \alpha + \beta_1 \text{ENV}_{i,t} + \beta_2 \text{SOC}_{i,t} + \beta_3 \text{GOV}_{i,t} + \beta_4 \text{AUD_INDEX} + \text{AR}(1) + \varepsilon_{i,t}$$

The classical assumption test was carried out again with the following results:

Table 3. Multicollinearity Test Results (After Correction)

| Variable | Coefficient Variance | Uncentered VIF | Centered VIF |
|------------|-------------------------|-------------------|-----------------|
| C | 0.069927 | 28.16638 | NA |
| ENV | 0.000985 | 3.825273 | 2.200158 |
| SOC | 0.000784 | 3.516372 | 1.320965 |
| GOV | 0.002747 | 24.73893 | 1.234968 |
| INDEKS_AUD | 0.001099 | 4.407604 | 1.419276 |
| AR(1) | 0.002830 | 1.457713 | 1.420892 |
| SIGMASQ | 9.72E-05 | 1.759090 | 1.401341 |

Source: Data Processed with Eviews 13

The multicollinearity problem was successfully resolved because $VIF < 10$ as the center of everything. In addition, the heteroscedasticity problem of the probability value was also successfully resolved. Chi-square 0.4230 (< 0.05). This also overcomes the autocorrelation problem because the dW statistic value of 2.084313 is between the dU value of 1.8100 and 4-dU of 2.1900. The following is a comparison of the results of the classical assumption test before and after the regression model improvement.

Table 4. Comparison of Classical Assumption Test Results Before and After Improvement

| Jenis Pengujian | Sebelum Perbaikan | Setelah Perbaikan |
|------------------------|--|--|
| Uji Multikolinearitas | Nilai <i>Centered VIF</i> variabel ENV_AUD sebesar 11.19451 atau lebih dari 10 | Seluruh nilai <i>Centered VIF</i> pada seluruh variabel kurang dari 10 |
| Uji Heterokedastisitas | Nilai Prob. Chi-Square sebesar 0.0308 atau kurang dari 0.05 | Nilai Prob. Chi-Square sebesar 0.4230 atau lebih dari 0.05 |
| Uji Autokorelasi | Autokorelasi positif | Tidak terdapat autokorelasi |

Panel Data Regression Model Selection Test Results

The results of the regression model selection test are as follows:

Table 5. Model Conclusions

| Uji Pemilihan Model | Hasil Pengujian Model | Model yang Terpilih |
|--|---|---------------------|
| Uji Chow, pemilihan: H0 = CEM (<i>Cross-section Chi-square</i> > 0.05) H1 = FEM (<i>Cross-section Chi-square</i> < 0.05) | CEM vs FEM Hasil <i>Cross-section Chi-square</i> 0.0000 < 0.05) | FEM |
| Uji Hausman, pemilihan: H0 = REM (<i>Chi-square Probability</i> > 0.05) H1 = FEM (<i>Chi-square Probability</i> < 0.05) | REM vs FEM Hasil <i>Chi-square Probability</i> 0.0141 < 0.05 | FEM |

Source: Processed Data

The following shows the results of the best regression model estimation, namely FEM, using Cross Section Weight (GLS):

Table 6. Selected Regression Results (FEM - GLS)

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---------------------------------------|-------------|--------------------|-------------|----------|
| C | 0.469773 | 0.074016 | 6.346882 | 0.0000 |
| ENV | -0.053669 | 0.022435 | -2.392205 | 0.0187 |
| SOC | 0.000425 | 0.010536 | 0.040329 | 0.9679 |
| GOV | -0.069671 | 0.011408 | -6.107242 | 0.0000 |
| INDEKS_AUD | 0.031437 | 0.016283 | 1.930649 | 0.0564 |
| AR(1) | 0.072893 | 0.034184 | 2.132371 | 0.0355 |
| Effects Specification | | | | |
| Cross-section fixed (dummy variables) | | | | |
| Weighted Statistics | | | | |
| R-squared | 0.974445 | Mean dependent var | | 0.167483 |
| Adjusted R-squared | 0.964434 | S.D. dependent var | | 1.214430 |
| S.E. of regression | 0.222509 | Sum squared resid | | 4.802513 |
| F-statistic | 97.33442 | Durbin-Watson stat | | 1.887443 |
| Prob(F-statistic) | 0.000000 | | | |
| Unweighted Statistics | | | | |
| R-squared | 0.754686 | Mean dependent var | | 0.111644 |
| Sum squared resid | 6.353887 | Durbin-Watson stat | | 1.759814 |
| Inverted AR Roots | .07 | | | |

Source: Data Processed with Eviews 13

Hypothesis Testing

The results of the hypothesis testing are summarized as follows:

Table 7. Hypothesis Testing

| No. | Hipotesis | Arah Koefisien | Signifikansi | Kesimpulan |
|-----|--|---------------------|------------------|--------------------|
| 1 | Pengungkapan <i>Environmental</i> berpengaruh positif terhadap Nilai Perusahaan | -0.053669 (Negatif) | Signifikan | Hipotesis ditolak |
| 2 | Pengungkapan <i>Social</i> berpengaruh positif terhadap Nilai Perusahaan | 0.000425 (Positif) | Tidak signifikan | Hipotesis diterima |
| 3 | Pengungkapan <i>Governance</i> berpengaruh positif terhadap Nilai Perusahaan | -0.069671 (Negatif) | Signifikan | Hipotesis ditolak |
| 4 | Reputasi auditor memperkuat pengaruh pengungkapan <i>Environmental</i> , <i>Social</i> , dan <i>Governance</i> terhadap Nilai Perusahaan | 0.031437 Positif | Tidak Signifikan | Hipotesis diterima |

Source: Processed Data

Discussion

1. Environmental Disclosure Has a Negative and Significant Impact on Company Value

The coefficient for the environmental variable (ENV) is recorded at -0.053669, with a t-statistic of -2.392205 and a probability value of 0.0187. This variable shows significance at the 5% level (p-value < 0.05). This indicates that an increase in the ENV variable unit will reduce the LOG(TOBINSQ) value by 0.053669. Considering that the dependent variable uses the natural logarithm, an increase of 1 ENV unit can be interpreted as a decrease in the Tobin Q value of around 5.37%. The statement regarding the negative impact on the environment shows that although the company's efforts to achieve sustainability and ecological responsibility are increasing, this can cause significant losses. This expenditure can reduce the company's short-term profits and have a negative impact on the company's market value. Legitimacy theory states that companies try to recognize their existence in society by increasing their commitment to the environment. However, if this information is considered burdensome for investors, the company's value can decrease.

2. Social Disclosure Has a Positive and Insignificant Impact on Company Value

The coefficient of the social variable (SOC) is 0.000425, the t-direction is 0.040329, and the probability is 0.9679. This variable is not significant (p-value > 0.05). This means that the SOC justification in this example is meaningless for LOG(TOBINSQ). Therefore, a company's social media disclosure does not significantly change Tobin's Q ethics. Reported but immaterial social disclosures indicate that the company is trying to strengthen its social efforts, but not strong enough to have an impact on society. business ethics. This is due to the understanding that social obligations do not bring significant direct economic benefits. Efficiency theory explains that companies need to think about efficiency as they become more efficient, but accept that it takes more time for social activities to become part of their financial strength.

3. Governance Disclosure Has a Negative and Significant Impact on Company Value

The coefficient of the governance variable (GOV) is -0.069671, T-statistic -6.107242, and the probability is 0.0000. This variable is significant at the 1% level of significance (p-value < 0.01). This shows that when the governance variable (GOV) increases by 1 unit, the LOG(TOBINSQ) value decreases by 0.069671. In other words, when the governance variable (GOV) increases by one unit, the Tobin's Q value decreases by about 6.97%. Negative material governance disclosures indicate that although we have made efforts to improve good governance, there may be significant governance issues that have not been fully resolved. Agency theory argues that good governance should reduce conflicts of interest between management and shareholders. However, if investors consider governance efforts to be insufficient, the value of the company may decline.

4. **Disclosure Environmental, Social, And Governance Moderated Auditor Reputation Has a Positive and Insignificant Effect on Company Value**

The coefficient of the INDEX_AUD variable is 0.031437, the T-statistic is 1.930649, and the likelihood is 0.0564. This variable isn't noteworthy at the 5% centrality level (p-value is somewhat over 0.05). In any case, when the p-value approaches 0.05, this variable still appears a inclination to influence LOG(TOBINSQ), and an increment within the AUD file by one unit can increment the LOG(TOBINSQ) esteem by 0.031437. increment. Tobin's Q esteem is around 3.14%. Ninwati (2022) found that natural data revelation features a critical negative affect on firm esteem. This may be due to the tall cost of natural speculation and the reality that the speculation does not give critical benefits within the brief term. Be that as it may, on the off chance that the auditor's notoriety break down, it can influence financial specialist certainty since the inspector is solid and the precision of his reports is ensured. In expansion, Zahid, Khan (2022) appeared that trustworthy reviewers can increment believe in natural revelation, in spite of the fact that its impact on firm esteem isn't however measurably noteworthy. This may be since the tall natural costs still exceed the benefits of a great review notoriety. We appear that moderating the affect of ESG on reviewer notoriety has an immaterial but positive affect on firm esteem. This recommends that in spite of the fact that evaluators with tall notorieties can increment believe in ESG reports, they are not solid sufficient to have a critical affect on firm esteem. Reviewer notoriety can offer assistance diminish data asymmetry and increment the validity of ESG divulgence, but its affect may take longer to interpret into expanded shareholder value.

CONCLUSION AND SUGGESTIONS

From the comes about of the graphic factual examination and the comes about of the quadrant of the relationship between autonomous and subordinate factors, it is known that the ENV, SOC, and GOV factors each have a positive relationship to company esteem (TOBINSQ). In any case, the comes about of the speculation test appear that ENV and GOV have a negative impact on TOBINSQ. There are numerous conceivable causes for this, counting slacks and roundabout impacts, as well as intelligent with other autonomous factors that have an by and large negative affect. For illustration, in case natural data isn't went with by genuine activity or on the off chance that the company does not meet tall desires, financial specialist certainty can decline over time. Within the long term, there's a chance that speculators will offer their offers, subsequently decreasing the esteem of the company. The ponder was restricted to companies recorded on the SRI KEHATI list for the 2019-2023 period. Another impediment is the utilize of sham factors to degree evaluator notoriety. Future inquire about may expand the test and inquire about period and consider other factors which will influence the relationship between ESG divulgence and company esteem. It is additionally vital to carry out closer supervision of how speculators assess ESG data uncovered by companies .

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