

ABSTRACT

Company value is evidence of a company's performance to provide a perception of the company to stakeholders. Environmental, social and governance factors are aspects contained in sustainability reports. Sustainability reports can function as a disclosure philosophy that focuses on business policies for future value. This research aims to determine the effect of environmental, social and governance disclosure on company value partially or simultaneously. The population in this research is basic materials sector companies listed on the Indonesia Stock Exchange for the 2020-2023 period.

The sample in this research was carried out using a purposive sampling method. The sample obtained was 12 companies in the basic materials sector listed on the Indonesia Stock Exchange for the 2020-2023 period. The data analysis carried out in this research was descriptive analysis and panel data regression. Based on the results of research on basic materials sector companies listed on the Indonesia Stock Exchange for the 2020-2023 period, it shows that environmental, social and governance disclosures have a simultaneous influence on company value.

Partially, the environmental disclosure variable has no influence on company value. This shows that whether the level of disclosure of a company's environmental performance is better or worse does not affect the value of the company. Then the social disclosure variable has no effect on company value. This means that disclosure of a company's social performance in a sustainability report does not affect the value of the company. Meanwhile, governance variables have an influence on company value. This means that better or worse governance disclosure will have an influence on company value.

Keywords: Firm Value, Sustainability Reporting, Environmental, Social, and Governance Disclosure