ABSTRACT

Firm value is one of the factors that encourage investors to invest, because it acts as a benchmark in the success of company management and credibility among the public. In addition, firm value also reflects the condition of the company's financial health and operational efficiency comprehensively, so that it can present the welfare of shareholders.

This study uses stakeholder theory which aims to support company management in increasing company value through every activity carried out. This study aims to descriptively analyze the effect of environmental, social, governance disclosure, and political connection on firm value, both simultaneously and partially in non-financial companies listed on the Indonesia Stock Exchange for the 2019-2023 period.

Researcher used a quantitative approach with purposive sampling technique and obtained a sample of 190 observation data and 38 companies. This research was conducted using descriptive statistical analysis techniques and panel data regression, which were processed using Eviews 12 software.

The results of this study indicate that environmental, social, governance disclosure, and political connection simultaneously have a significant effect on firm value. Partially, environmental disclosure has a significant effect with a negative direction on firm value, while social disclosure, governance disclosure, and political connection have no effect on firm value The results of this study also obtained an adjusted R-squared value of 72%.

The results of this study can be used as additional information and consideration in decision making and understanding of ESG factors and political connections on firm value. For future researchers, it is recommended to develop research using different research objects and increase the research period.

Keywords: Environmental, Social, Governance disclosure, political connection, Firm Value