

ABSTRACT

The purpose of this study is to examine the effect of Environmental, Social, and Governance (ESG) Disclosure on stock prices, with firm size as a control variable, in cement raw material companies listed on the Indonesia Stock Exchange (IDX) from 2018 to 2023. This research employs a quantitative method using a panel data regression model through EViews 13 software. The sample was selected based on purposive sampling criteria, consisting of 6 companies with 36 total observations. Secondary data were collected from sustainability reports, annual reports, and financial statements. The results indicate that Environmental and Governance disclosures have a significant negative effect on stock prices, while Social disclosure shows no significant impact. Firm size, as a control variable, is found to positively influence stock prices, though not statistically significant. This study reinforces the relevance of stakeholder theory and signaling theory, where ESG disclosure serves as a critical tool for companies to build trust and legitimacy among investors and stakeholders. These findings are expected to provide a reference for companies to improve ESG transparency and for investors to make sustainability-oriented investment decisions. Additionally, the study contributes to the development of ESG-related literature in Indonesia, emphasizing the importance of integrating ESG principles into corporate strategies for long-term competitiveness.