

ABSTRACT

This study aims to examine the influence of ESG on company performance and firm value moderated by firm size listed on the Indonesia Stock Exchange. Company performance is measured by Return on Assets (ROA), while firm value is represented by Tobin's Q ratio (TQ). This study also includes Dividend Ratio (DIV) and Leverage (LEV) as control variables. Additionally, firm size (SIZE) is added as a moderating variable.

The population for this study consists of companies listed on the Indonesia Stock Exchange (IDX) from 2015 to 2022. The sample size used is 168 companies selected using purposive sampling method. The analytical method employed is panel data regression with the addition of Robust Standard Error procedure to address heteroskedasticity issues in the Fixed Effect Model (FEM).

The results show that ENV has a non-significant negative effect on ROA, but a significant negative effect on TQ. SOC has a significant positive effect on both ROA and TQ. GOV has a significant negative effect on ROA but a significant positive effect on TQ. LEV has a significant negative effect on ROA, but a non-significant positive effect on TQ. DIV has a non-significant positive effect on ROA, but a significant positive effect on TQ. ENVSZ has a non-significant negative effect on both ROA and TQ. SOCSZ has a non-significant negative effect on ROA, but a significant negative effect on TQ. GOVSZ has a significant positive effect on ROA, but a non-significant positive effect on TQ.

Keywords: ESG, Return on Assets, Tobin's Q, Leverage, Dividend Ratio, Firm's SIZE, Financial Performance, Firm Value, Fixed Effect Model.

