

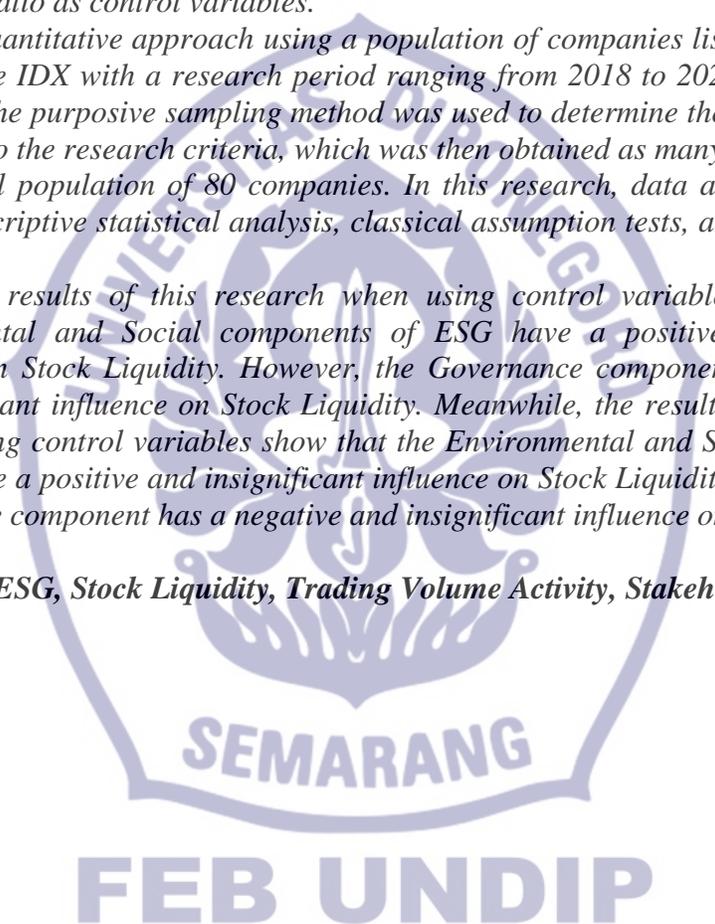
ABSTRACT

This research aims to analyze the influence of the three ESG component values, namely environmental, social, and governance on stock liquidity as measured by Trading Volume Activity and using Firm Size, Firm Age, Leverage, ROA, B/M, and Cash Ratio as control variables.

A quantitative approach using a population of companies listed on the IDX80 index on the IDX with a research period ranging from 2018 to 2021 is used for this research. The purposive sampling method was used to determine the research sample according to the research criteria, which was then obtained as many as 20 companies from a total population of 80 companies. In this research, data analysis was used, namely descriptive statistical analysis, classical assumption tests, and multiple linear analysis.

The results of this research when using control variables show that the Environmental and Social components of ESG have a positive and significant influence on Stock Liquidity. However, the Governance component has a negative and significant influence on Stock Liquidity. Meanwhile, the results of this research without using control variables show that the Environmental and Social components of ESG have a positive and insignificant influence on Stock Liquidity. Meanwhile, the Governance component has a negative and insignificant influence on Stock Liquidity.

Keywords: ESG, Stock Liquidity, Trading Volume Activity, Stakeholder Theory



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