

ABSTRACT

This study aims to analyze the effect of Environment, Social, and Governance (ESG) disclosure on firm value and examine the moderating role of institutional ownership in companies listed on the Malaysian stock exchange during the period 2019-2024. This study focuses on how institutional ownership can influence the relationship between ESG practices and firm value.

This study uses a quantitative approach with a sample of 44 companies and a total of 264 observations. Data were obtained from Bloomberg and analyzed using panel data regression methods through the Stata 17 application. The research model includes independent variables, dependent variables, and moderating variables to test the relationship and interaction effects between variables.

The results indicate that ESG disclosure and institutional ownership do not have a significant direct impact on firm value. However, the interaction between ESG disclosure and institutional ownership shows a significant positive moderating effect, suggesting that institutional investors enhance the effectiveness of ESG practices in increasing firm value. This study also found that female representation on the board of directors has a significant negative impact on firm value. Overall, these results indicate that the impact of ESG disclosure on firm value is contextual and highly influenced by ownership structure characteristics.

Keywords: ESG Disclosure, Firm Value, Institutional Ownership

