

Disclosure of Environmental, Social, Governance, and Company Size Performance on Company Value in the Energy Sector

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Abstract

This study aims to determine the effect of Disclosure of Environmental, Social, Governance, and Company Size Performance on Company Value in Energy Sector companies for 2017-2021. The population in this study was 72 companies in the Energy sector. After going through the purposive sampling method, the number of samples used in this study became 8 companies with 40 total observations. The data used in this study is secondary data taken through the annual report and the Sustainability Report downloaded from the company's website. Data taken from the Annual Report, namely Tobin's Q data for the variable Corporate Value, Number of Audit Committee Members for the Variable Governance and Total Assets for the variable Company size, while the data taken from the Sustainability report included PROPER for Environmental Performance Variables and GRI Index Disclosures for Social. The analysis technique used is Multiple Regression Analysis. This study found that environmental, social, corporate governance, and size performance positively and significantly affected firm value. On the other hand, social had a negative and insignificant effect on firm value. Meanwhile, environmental performance has a positive and insignificant effect on firm value compared to corporate governance and size, which negatively and significantly impacts firm value.

Keywords: Company Value, ESG, Company Size, PROPER, GRI, Audit Committee.

JEL Codes: G32, M21, M41

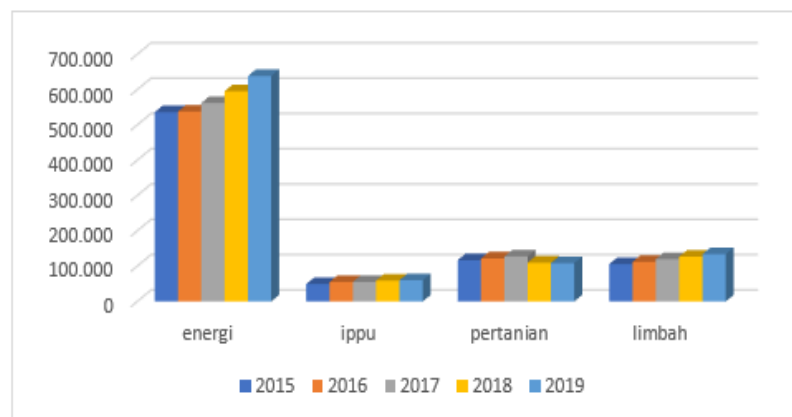
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1. Introduction

Company operational activities can have a significant impact on society and the environment because company operational activities can produce greenhouse gas emissions consisting of carbon dioxide (CO₂), nitrogen dioxide (NO₂), methane (CH₄), and freon (CFC) (Qodary & Tambun, 2021). The effects of greenhouse gases can cause global warming. Global warming is the increase in the earth's temperature every year due to the emission of greenhouse gases. The problem of global warming does not only occur in Indonesia but has become a world problem. (Qodary & Tambun, 2021). Global warming depletes the ozone layer, increasing the earth's temperature, rainfall, melting ice caps, and climate change, which impacts society, namely floods, rising sea levels, landslides, and land fires.



Graph 1. Greenhouse gas emissions by sector type 2015-2019 period

Greenhouse gas emissions are generated by many sectors, including the energy, industrial, agricultural, and waste sectors. Most of the greenhouse gas emissions are generated by the energy sector. From 2015 to 2019, greenhouse gas emissions produced by the energy sector have increased significantly every year due to the company's operational activities. From these data, it can be seen that the company's image in the energy sector is getting worse because it is one of the main contributors to greenhouse gases every year, which will impact company value. Company value is the value of public and investor trust in the company in operational and other activities. (Suryandari & Mongan, 2020). Company value can be described through the company's stock price. If a company has a stock price that is in a high position, the value of the company will also be high. (Suwardika & Mustanda, 2017). For companies that have high stock prices, it can be concluded that the level of shareholder prosperity is also high. (Putri & Suprasto, 2016) There are many ways to increase company value, not only in financial or economic terms but also non-financially, namely by improving the company's environmental, social, and governance performance. Environmental, social, and governance management can support companies in sustainable activities and protect the environment.

What companies do to increase company value is by increasing company companies' attention to the environment and increasing public and stakeholder trust. The government created a Company Performance Rating Program in Environmental Management (PROPER) (Maryanti & Fithri, 2017). Under the Regulation of the Minister of Environment and Forestry of the Republic of Indonesia number 1 of 2021 concerning Increasing the Assessment of Company Performance in Life Management in Article 1 Paragraph 1 concerning the program for

evaluating company performance in environmental management, after this referred to as PROPER, is an evaluation of the performance of those in charge of business activities in the field of environmental management. One factor that needs to be improved to add value to the company is social.

One factor that needs to be improved to add value to the company is social. Social problems and social inequality arise because of the company's operational activities. Therefore, to reduce and overcome the problems and gaps by increasing social responsibility. (Rahmadhani & Ardini, 2018).

Corporate responsibility for obligations related to investors and shareholders and also has obligations relating to interested parties in the company or stakeholders. (Putri & Suprasto, 2016) Social responsibility is expected to be a place for companies to provide positive information to potential investors and get good views so that they are interested in buying company shares and so that social responsibility influences company value.

In addition to environmental and social performance, the company also performs corporate governance to increase corporate value. Governance is essential for corporate value because it controls equality between rights and obligations for shareholders, managers, government creditors, employees, and stakeholders. (Farah *et al.*, 2014)

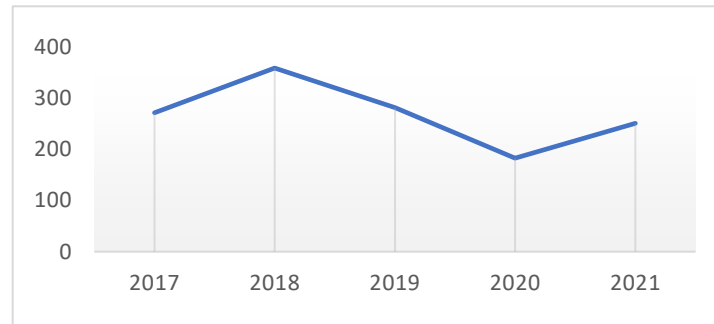
Governance is one of the indicators that can affect the company's value. Governance is necessary for the company so that it can run well, follow the rules that have been set, and achieve its goals. (Zakaria & Tanuwiharja, 2017). In supporting good corporate governance, the government has issued regulations related to governance, one of which is the regulation issued by the Capital Market and Financial Institution Supervisory Agency with Circular Letter No. SE03/PM/2000, which regulates the establishment of an audit committee. Regulations require listed companies to have an audit committee. The audit committee must consist of at least three independent people, and one must have accounting expertise.

Company size is another indicator that has a relationship or influence on firm value. The company's size is divided into 2 scales: large-scale and small-scale (Setiawati & Lim, 2018). Companies that have a small scale tend to get less profit than companies that have a large scale (Rachmawati & Purwanti, 2016). Large company size can indicate that the company is experiencing development so that investors will respond positively to the company, and the company's value will increase. Companies with large or total assets will get more attention from investors, creditors, and others.

Companies that publish sustainability reports are superior because they can add to the company's value, obtained from disclosing reports related to the environment, social, and governance. The value of the company is reflected in the stock price. If the value of the stock continues to increase, then the company's value also increases, and vice versa. If the stock decreases, the value of the company also decreases.

The development of stock prices in companies in the energy sector that publish sustainability reports has obtained different results. Stock prices experienced a significant decline for three years and had improved in the following year but experienced a decline again. The average share in the energy sector from 2017 to 2018 has increased by 32%. However, from 2018 to 2019, it decreased by -22% from the average share price in 2018. The decline in the average share price continued from 2019 to 2020, and the decline was quite significant, namely -35%.

From 2020 to 2021, the average share price will start to improve because the average share price has increased by 37%.



Graph 2 Average Growth in Energy Sector Share Prices of companies issuing sustainability reports 2017-2021

When viewed from the environmental performance of one of the energy sector companies, PTBA has succeeded in getting a gold rating for five consecutive years; for social performance, PTBA has also succeeded in implementing it in the surrounding environment by disclosing that the GRI index is above 60% of the GRI index standard and carrying out efforts to prevent COVID-19, strengthen health facilities, provide medical equipment assistance, socialize prevention of COVID-19 and restore the social economy around the company area. Meanwhile, the 2021 CSR program will be carried out by relocating settlements around mining sites to more livable places and building facilities and infrastructure (mosques, early childhood education centers, integrated service posts for children's health (posyandu), and guard posts) by implementing a cooperation system with the surrounding community. Governance, as seen by the number of audit committees for five years, has three people. Large company size can indicate that the company is experiencing development so that investors will respond positively to the company, and the company's value will increase. Companies with large or total assets will get more attention from investors, creditors, and others.

The size of the company, as seen from the total assets, experienced a significant decline from 2017 to 2018, 3.07%, which continued in 2019 by 7.67%, and improved in 2020 by increasing by 2.13%, even though the increase in share prices could not return to the initial figure. It also decreased again in 2021, which was 0.31%.

It can be seen from non-economic factors, namely environmental, social, and good governance performance, as well as economic factors, that company size does not affect company value because stock prices in the energy sector experience significant stock price fluctuations, so economic and non-economic factors cannot affect value companies. Based on the explanation above, this study aims to determine the effect of disclosure of social environmental performance, governance and company size carried out by companies on company value simultaneously and partially.

2. Literature Review

Research according Azhar, (2020) by title *Do Environmental, Social, and Governance Practices (ESG) Signify Firm Value? Evidence from FTSE4 Good Bursa Malaysia (F4GBM)*. The research method used multiple linear regression analysis. The indicator used for company value is Tobins'Q and the ESG indicator used is the score obtained from Thomson Reuters.

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Research results There is a significant relationship between firm value represented by TQ with ESG scores and other company-specific variables, namely WACC, dividend policy, tangible assets, and company size. Meanwhile, there is an insignificant relationship between the debt and equity ratios.

Research Melinda & Wardhani, (2020) by title *The Effect Of Environmental, Social, Governance, And Controversies On Firms' Value: Evidence From Asia*. The indicators used for company value are Tobin's Q and environmental, Social, and Governance using scores taken at Thomson Reuters. The research model used in this study is the panel data regression model. The results of this study show that the value of ESG controversy is positively correlated with the value of companies in Asia, and investors have a strong negative response to negative ESG-related reporting. Their response is very strong when the information concerns employees and the environment.

Research Zhang et al., (2020) by title *The Interaction Effect Between ESG And Green Innovation and Its Impact on Firm Value from The Perspective of Information Disclosure*. The company value indicator in this study is the Tobins'Q, while ESG uses the score obtained at Bloomberg, and green innovation uses the green patent application. The research method used Quantile regression to better observe the overall distribution of the data without data processing, masking some of the defects of OLS regression.

Research Constantinescu et al., (2021) by title *Environmental, social, and governance disclosure associated with the firm value. Evidence from the energy industry*. The corporate value uses Tobin's Q indicator, and environmental, social, and Governance (ESG) uses the score indicator available at Thomson Reuters. The research method used is linear regression analysis. The results of this study show a relationship between disclosure of ESG factors and firm value for companies in the energy industry.

Research Sadiq et al., (2020) *The impact of environmental, social and governance index on firm value: Evidence from Malaysia*. The research method used was regression analysis. The results of the research The results obtained by the regression show that firm value increases with increasing ESG and decreases with ESG problems.

Research Zaitul et al., (2021). By title *ESG disclosure and company value*. Tobin's Q is used in measuring firm value as the dependent variable in). The social disclosure variable is measured using the IER index. While social disclosure variables (Social) are measured using the SCRI index. The research method was carried out with multiple linear regression. The results of this study Environmental, Social and Governance disclosure has a negative influence and does not have direct caretakers in companies listed on the LQ-45 index.

Research Putri & Suprasto, (2016).with the title *Effect of Corporate Social Responsibility and Corporate Governance Mechanisms on Corporate Values*. The company value indicator uses Tobin's Q. Social responsibility uses the GRI disclosure indicator. Meanwhile, governance uses indicators of institutional ownership, the board of commissioners, the audit committee and the board of directors. This research method uses multiple linear regression analysis. The results of this study social responsibility have a positive effect on corporate value and governance which has four indicators including 1) institutional ownership has a positive influence on firm value, 2) independent board of commissioners has also a positive influence on firm value, 3) audit committee has positive influence on firm value and 4) the board of directors has a positive result.

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Research Utami & Muslichah, (2019) with the title Effect of Economic, Environmental and Social Disclosure on Company Value with Financial Performance as an Intermediate Variable. The company value variable indicator uses Tobins'Q while for economic, environmental and social disclosures it uses index disclosure indicators on each variable with GRI-4 as a guideline. The analytical method used in this study is Partial Least Square (PLS). This study aims to examine the direct and indirect effects of economic, social and environmental disclosures on firm value. The results of this study are that economic and environmental disclosures have a negative value and do not have a direct effect on firm value, and social values are positive and have an influence on firm value. With the variables between financial performance, economic, environmental and social disclosures have a negative influence and do not affect firm value even though there are intermediate variables.

Research Daromes & Kawilarang, (2020) with the title Role of Environmental Disclosure in Mediating the Influence of Environmental Performance on Company Value. The research method used multiple regression analysis. The results of this study show that there is a positive relationship between environmental performance and firm value. The company is responsible for maintaining the environment as an environmental stakeholder.

Research Sixpria & Suhartati, (2013).entitled Effect of Disclosure of Social Responsibility and Corporate Governance Practices on Corporate Values on Corporate Values (Case Study: Manufacturing companies listed on stock exchanges). This study uses multiple linear regression analysis method. The results of this study CSR has positive results but has no effect on firm value, while governance has an effect on firm value but if the indicators of the board of commissioners are increasing, the firm value will decrease.

Research according Aryanto & Setyorini, (2019). with the title Effect of Corporate Governance and Social Responsibility on Mining Sector Company Value. The data analysis method used in this study is multiple regression analysis. The results of this study 1) Independent board of commissioners variables do not have a positive effect on firm value. 2) The audit committee variable has a positive and significant effect on firm value. 3) The social responsibility disclosure variable does not have a positive effect on company value.

Research Putri & Noor, (2016) with the title Effect of Corporate Governance and Environmental Performance on Corporate Values. The research method is a data analysis method used in this study is a quantitative data analysis method. The test results of this study indicate that the proportion of independent commissioners has an effect on firm value, is accepted and the results of this test indicate that audit committee size has no effect on firm value, is rejected. The test results in this study indicate that environmental performance has no effect on firm value, is rejected.

Research Ralina & Prasetyo, (2019) with the title Effects of Financial Performance and Environmental Performance on the Value of Mining Companies in Issi for the 2013-2017 Period. The analysis technique used in this study is panel regression. The results showed that ISR and CSR partially had a significant effect on firm value and ROA partially had no significant effect on firm value.

Research Faih, (2019) with the title Effects of Corporate Governance and Environmental Responsibility on Company Value (Empirical Study of Manufacturing Companies Listed on the Indonesia Stock Exchange for the 2016-2018 Period). The research method uses multiple regression analysis test. The result of this study is that corporate governance influences

environmental responsibility. This research contributes to the literature on social responsibility in developing countries, especially Indonesia because in the era of globalization Indonesia has begun to attract investment opportunities that will affect the environment in the long term.

Research Putri & Mardenia (2019), with the title Effect of GCG, CSR, Profitability and Company Size on Company Value. The research method used in this study is a quantitative data analysis method. The test results of this study show GCG has a positive effect on firm value, CSR has no effect on firm value, and company size hurts firm value.

Research Kusuma & Dewi, (2019) explained that environmental performance positively affects firm value, attracting investors to buy shares because the public trusts the company and increases the company's value. While research by Sawitri & Setiawan, (2019) have different results, namely, environmental performance hurts firm value.

3. Research Method

The type of research used in this research is quantitative, which is based on the size of the quantity or amount that can be applied to the observed phenomena. The population used is energy sector companies listed on the IDX for the 2017-2021 period, with a total population of 74 companies. using a purposive sampling technique, there were 8 companies with a total sample of 40.

Table 1. Operational Variables

No	Variables	Indicator	Scala	Source
1	Company Value	$TQ = \frac{MVE + DEBT}{TA}$	Ratio	Obradovich et al., (2012)
2	Environment	PROPER	Ordinal	hariati & Rihatiningtyas, (2015)
3	Social	CSRi= number of items disclosed/number of GRI standard items	Ratio	Wijaya & Lukman, (2022)
4	Audit Committee	Total members of the audit committee	Ratio	Al-Musalli & Ismail, (2012)
5	Size	(Ln)Total assets	Ratio	Wardhani .,et all (2021)

The data analysis model used in this company is multiple regression analysis. The equation of the multiple regression analysis:

$$TQ_{it} = \alpha + \beta_1 \text{lingkungan}_{it} + \beta_2 \text{Sos}_{it} + \beta_3 \text{Komaudit}_{it} + \beta_4 \text{Ukuranperusahaan}_{it} + e$$

Information :

TQ_{it} : Company value i in year t

Lingkungan_{it} : Environmental performance i in year t

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Sosit : Social performance i in year t
Komauditit : Composition of the company's audit committee i in year t
Ukuran perusahaanit : Total assets in year t
e : Error

4. Findings and Discussion

4.1. Descriptive Statistics

Table 2 Results of Descriptive Analysis

Variables	Max	Min	Mean	Std. Dev
Environmental performance	0,70	0,48	0,58	0,09
Social	-0,07	-1,10	-0,15	0,28
Governance	0,70	0,30	0,54	0,11
Size	13,56	9,06	10,79	1,85
Company Value	4,26	-0,08	1,75	1,74

Table 2, the results of the descriptive analysis carried out on the sample of this study, indicates that the firm value variable (Y) has a maximum value of 4.26. The minimum value is -0.08. As well as from the 2017-2021 period, it can be seen that the mean value is 1.75 and the standard deviation is 1.74, which means that the mean value is greater than the standard deviation value so that the data deviations that occur are low, so the spread of values will be comprehensive.

Environmental performance (X1) has a maximum value of 0.70 and a minimum value of 0.48. For the 2017-2021 period, the mean value is 0.58, and the standard deviation is 0.09. The mean value is greater than the standard deviation, so the data deviations that occur are low, and the spread of values will be comprehensive.

Social (X2) has a maximum value of -0.07 and a minimum value of -1.10. From the 2017-2021 period, the mean value is -0.15, and the standard deviation is 0.28. The mean value is smaller than the standard deviation, which means that the data deviations that occur are high, so the distribution of values will not be comprehensive.

Governance (X3) has a maximum value of 0.70. The minimum value is 0.30. As well as from the 2017-2021 period, it can be seen that the mean value is 0.54 and the standard deviation is 0.11, which means that the mean value is smaller than the standard deviation value so that the data deviations that occur are high, so the distribution of values will not be comprehensive.

Firm size (X4) has a maximum value of 13.56. The minimum value is 9.06. As well as from the 2017-2021 period it can be seen that the mean value is 10.7 and the standard deviation is 1.8, which means that the mean value is greater than the standard deviation value so that the data deviations that occur are low, so the spread of values will be comprehensive.

4.2. Normality Test

Table 3. Normality Test Results

Kolmogorov-Smirnov ^a			Shapiro-Wilk		
Statistic	df	Sig.	Statistic	df	Sig.

Environment	,264	30	,000	,788	30	,000
Social	,106	30	,200*	,947	30	,145
Governance	,377	30	,000	,736	30	,000
Size	,350	30	,000	,705	30	,000
Company Value	,225	30	,000	,808	30	,000

Based on decision making, the significance value is > 0.05 for normally distributed data. From table 3 only social variables have normally distributed data with a significance value of 0.200, which is $0.200 > 0.05$, so the data is normally distributed.

Whereas a significance value of ≤ 0.05 means that the data is not normally distributed where the variables of environmental performance, governance and company size and company value data are not normally distributed with a value of 0.000. The data were not normally distributed because the samples that fit the criteria in this study were relatively few, which caused the data not to be randomly distributed and not normally distributed.

4.3. Multiple Regression Analysis

Table 4. Results of Multiple Regression Analysis

	Coefficient	Standard Error	t	Sig	Tolerance	VIF
Constanta	12,659	2,686	4,714			
Environment	3,490	1,969	1,773	,088	0,84	1,19
Social	-,236	,797	-,296	,770	0,556	1,798
Governance	-7,659	2,001	-3,828	,001	0,623	1,605
Size	-,829	,107	-7,726	,000	0,694	1,442

The following equation is obtained based on the results of the multiple linear regression analysis Table 4.

$$Y = 12,659 + 3,490X_1 - 0,236X_2 - 7,659X_3 - 0,829X_4$$

Judging from the equation above, it can be explained as follows:

1. Based on the multiple linear regression equation above, a constant value of 12.659 means that if the independent variables of environmental, social, governance, and company size performance are considered constant, the company value can be predicted to be 12.659 one unit.
2. The environmental performance variable (X_1) in the multiple linear regression model has a coefficient value of 3.490, meaning that if the environmental performance variable increases by 1 level and the others are constant, it can be predicted that the firm value variable will increase by 3.490%.
3. The social variable (X_2) in the multiple linear regression model above the coefficient value is -0.236, meaning that if the value of the board of directors variable increases by 1% and the others are constant, it can be predicted that the social variable value will decrease by 0.239%.

4. The governance variable (X3) in the multiple linear regression model has a coefficient value of -7.656. This means that if the board of directors' variable value increases by 1 person and the others remain constant, the governance variable's value will decrease by 7.656%.
5. The firm size variable (X4) in the multiple linear regression model has a coefficient value of -0.829, meaning that if it increases by 1% and the others are constant, it can be predicted that it will decrease by 0.829.

4.4. Regression Model Fit

Table 5. Regression Model Fit Test Results

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	359,697	4	89,924	21,248	,000 ^b
Residual	105,801	25	4,232		
Total	465,498	29			

Based on the results of the regression analysis table, the obtained Fcount value is 21.248 greater than Ftable (2.641). Thus, it can be concluded that the environmental, social, corporate governance and size performance variables simultaneously have a significant influence on the Firm Value Variable.

4.5. Classic Assumtion Test

4.5.1. Multicollinearity Test

From the multicollinearity test results in Table 4 above, it can be seen that the multicollinearity above can be that between the independent variables, there is no multicollinearity because the results of the peritoneal tolerance value of each independent variable show no results less than 0.10. The results of calculating the variance inflation factor (VIF) value also show that the results for each independent variable are no more than 10. It can be concluded that there is no multicollinearity between the independent variables in this regression model

4.5.2. Heteroscedasticity Test

Table 5. Heteroscedasticity Test Results - Parks Test

Variables	Coed	Standard Erro	t	Sig
Constanta	9,328	5,368	1,738	,095
Environment	-5,727	3,935	-1,455	,158
Social	2,956	1,592	1,857	,075
Governance	,755	3,999	,189	,852
Size	-,602	,214	-2,806	,010

Based on the data from the Parks test results above, it can be interpreted that in the regression analysis there are no symptoms of heteroscedasticity, indicating a significance value (p-value) of the environmental performance variable (X1) of 0.158, social (X2) of 0.075, audit committee of 0.852, company size (X4) of 0.10, the results clearly show that none of the independent

variables has a statistically significant effect on the dependent variable, this is because the significance probability value is above 0.05 or 5%.

4.5.3. Autocorrelation Test

Table 6. Autocorrelation Test Results – Durbin Watson

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
,879 ^a	,773	,736	2,05719	1,915

Decision The results of the calculation above show that the d value of 1.915 lies between the d_u and $(4-d_u)$ values of 1.721 and 2.279 ($d_u < DW < 4-d_u$) so it can be concluded that there is no autocorrelation in the regression model used in this study.

4.6. Slope or Regression test

Based on Table 4. the results of the regression analysis above can be interpreted as the magnitude of each as follows:

1. Based on the results of data analysis, it was obtained that the count for variable X1 was 1.791 while the table was 1.690, so count (1.791) < table (2.021). This is reinforced by a significant value of 0.085 ($0.085 > 0.05$). Thus, it can be concluded that environmental performance positively influences firm value but is insignificant.
2. Based on the results of data analysis, it was obtained that the count for variable X2 was -0.282, while the table was -2.021, so count (-0.282) < table (-2.021). This is reinforced by a significant value of 0.780 ($0.780 > 0.05$). It can be concluded that social factors negatively influence firm value and are insignificant.
3. Based on the results of data analysis, it was obtained that the count for variable X2 was -0.282, while the table was -2.021, so count (-0.282) < table (-2.021). This is reinforced by a significant value of 0.780 ($0.780 > 0.05$). it can be concluded that society has a negative influence on firm value and is insignificant.
4. Based on the results of data analysis, it was obtained that the count for variable X3 was -3.824, while the table was 1.690, so count (-3.824) > table (-1.690). This is reinforced by a significant value of 0.001 ($0.001 < 0.05$). Thus, it can be concluded that governance hurts firm value and is significant in terms of firm value.
5. Based on the results of data analysis, it was obtained that the count for variable X4 was -7.943, while the table was 1.690, so count (-7.943) > table (-1.690). This is reinforced by a significant value of 0.000 ($0.001 < 0.05$). Thus, it can be concluded that governance negatively and significantly influences firm value.

4.7. Coefficient of Determination

Table 6 shows that the value of R Square (the coefficient of determination R^2) is 0.773, meaning that the environmental, social, governance, and company size performance variables can explain changes to Y of 77.3%, while the rest is explained by other variables that were not included in this study.

4.8. Discussion

Disclosure of Environmental, Social, Governance, and Company Size Performance on Corporate Values

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The study's results, using the regression model fit test, show that environmental, social, corporate governance and size performance have a positive and significant effect on firm value

This can happen because of economic factors in the financial and annual reports and non-economic reports in the sustainability report, which can determine investor decision-making. According to (Suwardika & Mustanda, 2017) One way for investors to determine a company's value is by its stock price. Significant fluctuations in stock prices over several periods can indicate a company's value. These fluctuations can be caused by environmental, social, governance, and company size performance variables.

Disclosure of Corporate Environmental Performance on Company Value

Based on the results of the study, it shows that there is a positive and insignificant effect on environmental performance. This means that companies cannot balance economic and environmental goals in companies so that companies are less active in carrying out activities in the field of environmental preservation.

This is not in line with legitimacy theory which states that companies must balance economic, environmental and social goals in order to be acceptable to society Pfleiger *et al.*, (2005), explained that the company's activities in the field of environmental preservation will bring a number of benefits, including the interest of shareholders and stakeholders in the benefits for a company due to responsible environmental management.

Corporate Social Disclosure of Corporate Values

Based on the results of social research, it has a negative and insignificant effect. This means that social does not affect company value because investors generally focus on returns in the form of capital gains or dividends without focusing on corporate social responsibility, and forms of corporate social responsibility cannot be carried out directly or in a short period by the community because of social responsibility. social enterprise is a long-term strategy for the welfare of society.

The theory of legitimization contradicts the results of this study. According to Mardiana & Wuryani, (2019). Legitimation means that companies, as part of society, must obey and act by the values, norms, and regulations that exist in society in carrying out operational activities so that the company is said to be legitimate.

Disclosure of Corporate Governance on Corporate Values

The study results indicate that governance has a negative and significant effect. This means that disclosure of governance does not affect firm value because the formation of an audit committee is based solely on fulfilling obligations to applicable regulations, resulting in the role of the audit committee in monitoring management performance to be less effective and the audit committee's duties are not carried out properly so that there is conveyance of confidence to negative direction. This is not in line with agency theory, where governance by proxy audit committee is expected to function as a tool to provide confidence to investors that they will receive returns on the funds they have invested and are expected to reduce agency conflicts so that reports submitted to parties interested parties can be trusted (Dinah, 2017).

Disclosure of Company Size to Company Value

Based on the test results, it can be said that company size has a negative and significant influence on firm value. This means that company size has no effect on firm value and is not

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in line with the signal theory used that the larger the company size, the company value will increase and attract investors to invest (Putra & Widayati, 2022). Because investors do not see the company's size, which can be identified through total assets, investors are more likely to consider other factors in the financial statements.

5. Conclusion

Environmental, social, governance, and firm size positively affect firm value. Environmental performance measured by PROPER has no positive effect on firm value. Social, as measured by the disclosure of the GRI Index, has a negative effect. Governance with the audit committee as a measuring tool hurts firm value. Firm size with total assets as a measuring tool hurts firm value.

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