

ABSTRACT

**THE ROLE OF ENVIRONMENTAL SOCIAL AND GOVERNANCE (ESG)
IN MODERATING THE EFFECTS OF LEVERAGE, PROFITABILITY,
AND FIRM SIZE ON FIRM VALUE**

(Survey of Banking Issuers Listed on the Indonesia Stock Exchange (IDX) 2019-2024 Period)

By

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This study aimed to analyze the effect of leverage, profitability, and firm size on firm value, with Environmental Social and Governance (ESG) as a moderating variable. The research focused on 17 banking firms listed on the Indonesia Stock Exchange (IDX) for the 2019-2024 period. The research method used was panel data regression with a Moderated Regression Analysis (MRA) approach. The results showed that leverage and profitability have a positive and significant effect, while firm size had a positive but insignificant effect on firm value. Furthermore, ESG was found to weaken the effect of leverage and strengthen the effect of profitability on firm value. However, ESG was found unable to moderate the effect of firm size on firm value. These findings contributed to the literature on sustainable finance in the Indonesian banking sector by demonstrating that firm value was not only influenced by financial fundamental factors but was also significantly affected by the integration of environmental, social, and governance aspects, which was capable of shifting investor perceptions of corporate performance.

Keywords: *Firm Value, Leverage, Profitability, Firm Size, Environmental Social and Governance (ESG)*

ABSTRAK

**PERAN *ENVIRONMENTAL SOCIAL AND GOVERNANCE* (ESG)
DALAM MEMODERASI PENGARUH *LEVERAGE*, PROFITABILITAS,
DAN UKURAN PERUSAHAAN TERHADAP NILAI PERUSAHAAN**
(Survey pada Emiten Perbankan yang Terdaftar di Bursa Efek Indonesia (BEI)
Periode 2019-2024)

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Penelitian ini bertujuan untuk menganalisis pengaruh *leverage*, profitabilitas, dan ukuran perusahaan terhadap nilai perusahaan dengan *Environmental Social and Governance* (ESG) sebagai variabel moderasi. Objek penelitian mencakup 17 emiten perbankan yang terdaftar di Bursa Efek Indonesia (BEI) periode 2019-2024. Metode penelitian yang digunakan adalah regresi data panel dengan pendekatan *Moderated Regression Analysis (MRA)*. Hasil penelitian menunjukkan bahwa *leverage* dan profitabilitas berpengaruh positif dan signifikan, sedangkan ukuran perusahaan berpengaruh positif namun tidak signifikan terhadap nilai perusahaan. Selain itu, ESG terbukti mampu memperlemah pengaruh *leverage*, serta mampu memperkuat pengaruh profitabilitas terhadap nilai perusahaan. Namun, ESG ditemukan tidak dapat memoderasi pengaruh ukuran perusahaan terhadap nilai perusahaan. Temuan ini memberikan kontribusi terhadap literatur mengenai keuangan berkelanjutan di sektor perbankan Indonesia dengan menunjukkan bahwa nilai perusahaan tidak hanya dipengaruhi oleh faktor fundamental keuangan semata, tetapi juga dipengaruhi secara signifikan oleh integrasi aspek lingkungan, sosial, dan tata kelola yang mampu mengubah persepsi investor terhadap kinerja perusahaan.

Kata kunci: Nilai Perusahaan, *Leverage*, Profitabilitas, Ukuran Perusahaan, *Environmental Social and Governance* (ESG)