

ABSTRACT

Firm value is a primary consideration for investors before deciding to invest in a company. It reflects the overall quality of a company as indicated by its stock price.

This study aims to examine the effect of Environmental, Social, and Governance (ESG) and Enterprise Risk Management (ERM) on firm value, with control variables including profitability, firm size, and leverage, in infrastructure sector companies listed on the Indonesia Stock Exchange during the period 2019–2023.

This research employs a quantitative method with a descriptive research objective. The statistical analysis used in this study is panel data regression. The research focuses on infrastructure sector companies listed on the Indonesia Stock Exchange from 2019 to 2023. The sampling technique used is purposive sampling. The sample consists of 10 companies over a 5-year period, resulting in a total of 50 observations.

The results show that ESG, ERM, and the control variables (profitability, firm size, and leverage) simultaneously affect firm value. However, partially, ESG, ERM, profitability, and firm size do not have a significant effect on firm value, while leverage has a significant effect on firm value in the infrastructure sector companies listed on the Indonesia Stock Exchange during 2019–2023.

Although ESG and ERM do not have a statistically significant effect on firm value, their implementation can still be considered a value-added aspect for companies. This reflects the company's commitment to sustainability and responsible risk management, which has the potential to enhance reputation and investor trust in the long term.

Keywords: Enterprise Risk Management (ERM), Environmental, Social, and Governance (ESG), Firm Value.