The Effect of Environmental, Social, and Governance Score on Stock Returns: The Moderating Role of Company Size n The Indonesiann Stock Exchange

Muh. Faiz Rhamdani, Naning Margasari
Universitas Negeri Yogyakarta, Indonesia
Email: muhfaiz.2023@student.uny.ac.id, naning_m@uny.ac.id

ABSTRACT

This study aims to analyze the effect of the Environmental, Social, and Governance (ESG) dimensions on stock returns and test the moderating role of company size in companies listed on the LQ45 Index of the Indonesian Stock Exchange. This study uses a quantitative approach with purposive sampling and obtains 17 companies as samples for the 2019–2024 period. The data are analyzed using panel data regression and moderation regression to test the relationships between variables. The results show that the environmental score has a negative and significant effect on stock returns, the social score has a positive and significant effect on stock returns, while the governance score has no significant effect on stock returns. In addition, company size does not strengthen the relationships between the three ESG dimensions and stock returns. These findings provide practical implications for investors in portfolio selection by emphasizing social performance over environmental costs, for managers in optimizing ESG resource allocation toward high-impact social initiatives, and for policymakers in developing regulations that better align environmental investments with market incentives to enhance the effectiveness of sustainability practices in driving stock performance.

INTRODUCTION

The capital market plays an important role in encouraging Indonesia's economic growth, as it serves as a funding source for companies while providing investment alternatives for the community (Selasi, Indiyani, & Jolehah, 2024). In line with Law Number 4 of 2023, the capital market forms part of the financial system that facilitates public offerings, securities trading, and activities of public companies related to the securities they issue. The yearly increase in the number of investors on the Indonesian Stock Exchange (IDX) reflects growing public awareness of the importance of investing in the capital market (Syamsuddin & Khaddafi, 2024).

Common stocks are attractive instruments because they offer higher potential profits than bonds and mutual funds, although they are accompanied by relatively greater risk (Eryani et al., 2023). Stock returns represent the income received by investors as a return on invested capital (Jogiyanto, 2014). Recent fluctuations in stock returns in Indonesia indicate that the performance of company shares in the capital market is highly dynamic and sensitive to internal and external factors (Safira & Budiharjo, 2021). Internal factors include company financial performance and management policies, while external factors encompass macroeconomic conditions, government regulations, and global market trends.

Apart from these financial factors, investors now pay more attention to non-financial aspects. One such non-financial factor that modern investors increasingly consider is corporate sustainability practices, as measured by the Environmental, Social, and Governance (ESG) score (Clark, Feiner, & Viehs, 2015). ESG serves as an important indicator, signaling risk management, social responsibility, and corporate governance (Fatemi, Glaum, & Kaiser,

2018). Signaling theory posits that ESG practices disclosed by companies act as positive signals that influence investors' decisions and impact stock returns (Connelly et al., 2011). Stakeholder theory further emphasizes that companies able to meet stakeholders' interests through ESG practices gain greater market trust (Freeman, 1984; Donaldson & Preston, 1995). Trade-off theory, meanwhile, highlights that implementing sustainability practices often entails additional costs that can affect firm profitability and negatively impact stock returns if reputational benefits are not commensurate (Awaysheh et al., 2020).

The effect of Environmental, Social, and Governance (ESG) practices on stock returns has become a growing focus in prior research. However, prior studies have produced inconsistent and contradictory results, especially when analyzing each ESG dimension individually. Based on signaling theory, environmental disclosure is expected to signal a firm's long-term sustainability and effective risk management to investors, with companies exhibiting strong environmental performance assumed to gain investor trust and generate higher returns. Nonetheless, empirical evidence remains mixed: some studies found a positive relationship (Hanjani & Yanti, 2024; Agustin et al., 2024), while others reported negative or insignificant effects (Luo, 2022), revealing a gap between theoretical expectations and real outcomes.

According to stakeholder theory, socially responsible firms are believed to enhance their reputation and stakeholder relationships, potentially leading to better stock performance. Yet, empirical findings vary: some studies reported a positive effect of social performance on stock returns (Hanjani & Yanti, 2024; Agustin et al., 2024), while others found no significant effect. In the context of agency theory, good corporate governance is assumed to reduce agency conflicts and information asymmetry, thereby increasing investor confidence and returns. However, findings remain inconsistent—some studies showed a positive influence (Hanjani & Yanti, 2024; Agustin et al., 2024), while others reported insignificant results (Luo, 2022). These inconsistencies across ESG dimensions highlight a research gap that warrants further exploration, especially in the Indonesian capital market and among large, multi-sector companies listed in the LQ45 Index.

Despite the growing global literature on ESG and stock returns, research specifically on the Indonesian Stock Exchange remains limited, particularly regarding the moderating role of firm characteristics. This study addresses this gap by providing empirical evidence from Indonesia—an emerging market with unique institutional characteristics, regulatory frameworks, and investor behavior patterns that differ significantly from developed markets. The Indonesian context is particularly relevant given the country's commitment to sustainable development goals and the increasing emphasis on ESG reporting by the Financial Services Authority (OJK). Moreover, focusing on LQ45 Index companies—representing the most liquid and actively traded stocks—ensures that findings reflect market dynamics among firms with substantial investor attention and robust disclosure practices. This study contributes to the literature by examining whether relationships between ESG dimensions and stock returns, extensively documented in developed markets, hold in the Indonesian context, thereby enhancing the generalizability of ESG research across market conditions and institutional environments.

In addition to ESG factors, company size is believed to moderate the influence of ESG on stock returns. Large companies, with substantial assets, are considered more credible and possess sufficient resources to implement ESG practices effectively (Adhi & Cahyonowati,

2023). However, the moderating role of company size shows mixed results (Sulfitri, Yanti, & Lestari, 2025; Yudha & Ariyanto, 2022).

Based on this background, this study aims to analyze the effects of environmental, social, and governance dimensions on stock returns and to test whether company size strengthens this relationship among large companies in the LQ45 Index on the Indonesian Stock Exchange from 2019 to 2024.

METHOD

This research used a quantitative approach with a descriptive research type. The purpose of this approach is to provide a systematic, factual, and accurate description of the facts and characteristics of a particular population or field, especially regarding Environmental, Social, and Governance (ESG) issues based on the GRI 2021 standard. The data used come from sustainability reports officially published by the companies on their respective websites and are subsequently processed using an assessment method based on the disclosure of each indicator.

The population in this study are all consumer goods industry sector companies listed on the LQ45 Index and have published sustainability reports during the observation year. Researchers set a time limit for the sustainability report used, namely the period 2019 to 2024. This aims to make the data obtained relevant and reflect the current conditions on ESG issues in business practices. Based on the identification results, there were 68 companies that had been included in the LQ45 index during the study period.

Sampling was carried out using purposive sampling method, namely sample selection based on certain criteria set by the researcher. These criteria included: (1) Issuers listed on the LQ45 Index and their shares were actively traded during the study period, (2) Companies listed consecutively in the LQ45 Index during 2019-2024, (3) Companies consistently published sustainability reports every year during the 2019-2024 period, and (4) Issuers had complete annual financial reports during the study period. Based on these criteria, 17 companies were obtained that were eligible to be samples in this study.

Table 1: research sampling criteria

No.	Sampling Criteria	Information
1	Companies listed in the LQ45 Index and their shares traded during the research period	68
2	Companies listed consecutively in the LQ45 Index during 2019-2024	(46)
3	Companies that consistently publish ESG reports	(5)
4	Companies with complete financial data (stock returns and company size)	(0)
	Number of companies that meet the criteria	**17**
	Number of research samples (17 x 6)	**102**

Data collection in this study was carried out through documentation and literature study. Secondary data was obtained from published official sources, such as annual financial reports and sustainability reports of companies listed in the LQ45 Index for the 2019-2024 period, which were accessed through the official website of the Indonesian Stock Exchange (www.idx.co.id) and the websites of each company. In addition, supporting information was

The Effect of Environmental, Social, and Governance Score on Stock Returns: The Moderating Role of Company Size n The Indonesiann Stock Exchange

10588

obtained through literature studies by reviewing relevant scientific journals, books, and academic publications as a theoretical basis and basis for analysis in this study.

Table 2: Operational definition of variables

No.	Variable	Definition	Indicator/Measurement	Scale
1	Environmental Score	The level of disclosure of a company's environmental performance based on GRI 300 standards.	$\dfrac{Environmental\ indicators\ an}{31\ indicators\ total}$	Ratio
2	Social Score	The level of disclosure of a company's social responsibility performance based on GRI 400 standards.	$\dfrac{Social\ indicators\ amount}{36\ indicators\ total}$	Ratio
3	Governance Score	The level of disclosure of a company's governance performance based on GRI 2 and GRI 205 standards.	$\dfrac{Governance\ indicators\ amou}{18\ indicators\ total}$	Ratio
4	Stock Return	The percentage gain or loss on shares over a certain period.	$\dfrac{P_t - P_{t-1}}{P_{t-1}}$	Ratio
5	Firm Size	The scale of the company as reflected by its total assets.	Natural Logarithm of Total Assets (in IDR)	Ratio

The analytical approach employed in this study is specifically designed to address research questions regarding the individual and moderated effects of ESG dimensions on stock returns. Panel data regression is justified as the primary method because it allows for the simultaneous analysis of cross-sectional (17 companies) and time-series (2019-2024) dimensions, thereby increasing the degrees of freedom and reducing multicollinearity problems compared to pure cross-sectional or time-series approaches. This method also controls both observed and unobserved heterogeneity across firms, which is crucial given the diverse characteristics of LQ45 companies across different sectors.

Moderation regression analysis (MRA) is employed to test whether company size strengthens or weakens the relationship between ESG dimensions and stock returns. This technique is particularly appropriate for examining contingency effects, as it allows for the systematic testing of interaction terms (ESG × Firm Size) while maintaining the main effects in the model. The moderation framework addresses the theoretical question of whether the signaling effect of ESG practices varies depending on firm characteristics—specifically, whether larger firms benefit more (or less) from ESG investments due to their greater visibility, resources, and stakeholder expectations. By testing these interaction effects, the study provides nuanced insights into the conditions under which ESG practices translate into financial returns, thereby offering practical guidance for managers in resource allocation decisions and for investors in portfolio construction strategies.

The data analysis techniques used in this study consisted of several stages. First, descriptive statistical analysis was conducted to describe the characteristics of the data, such as minimum, maximum, mean, and standard deviation values. Second, model selection tests were performed, such as the Chow test, Hausman test, or Lagrange Multiplier test when using panel data, to ensure that the model used was the most appropriate for the characteristics of the data. Third, classical assumption tests were conducted, including normality tests to ensure that the data is normally distributed, multicollinearity tests to detect correlations between independent variables, autocorrelation tests to determine the relationship between residuals, and heteroscedasticity tests to ensure the homogeneity of residual variances. Fourth, panel data regression analysis was conducted to analyze the relationship between independent and

dependent variables according to the selected model. Fifth, Moderate Regression Analysis (MRA) was used to test whether the moderator variable weakened or strengthened the relationship between independent and dependent variables. Finally, the coefficient of determination (adjusted R^2), t-test, and F-test were conducted to assess the strength of the model and the significance of the influence of each variable partially and simultaneously.

RESULT AND DISCUSSION

This study analyzed 17 companies that were members of the LQ45 Index during the period 2019 to 2024. Data analysis was carried out using descriptive statistics, panel data regression tests, and moderation tests to determine whether company size strengthens the relationship between the Environmental, Social, and Governance dimensions and stock returns.

Table 3: descriptive statistical test results

Variable	Mean	Min	Max	Std. Dev
Environmental Issue (X1)	0.785	0.355	1.000	0.132
Social Issue (X2)	0.852	0.583	1.000	0.108
Governance Issue (X3)	0.922	0.500	1.000	0.117
Stock Return (Y)	0.000	-0.486	1.304	0.276
Firm Size (Z)	18.670	16.590	21.610	1.588

Based on Table 3, the stock return variable had a minimum value of -0.486, a maximum value of 1.304, a mean value of 0.000, and a standard deviation of 0.276. The Environmental Score had a minimum value of 0.355, a maximum value of 1.000, a mean value of 0.785, and a standard deviation of 0.132. The Social Score showed a minimum value of 0.583, a maximum value of 1.000, a mean value of 0.852, and a standard deviation of 0.108. The Governance Score had a minimum value of 0.500, a maximum of 1.000, a mean of 0.922, and a standard deviation of 0.117. Meanwhile, the company size had a minimum value of 16.590, a maximum of 21.610, a mean of 18.670, and a standard deviation of 1.588.

Table 4: regression model selection estimation

Test	Model I (ESG → Return)	Model II (ESG × Size → Return)
Chow Test	0.728 > 0.05 → CEM	0.727 > 0.05 → CEM
Lagrange Multiplier Test	0.379 > 0.05 → CEM	0.385 > 0.05 → CEM
Hausman Test	Not continued	Not continued

Based on Table 4, for both Model I and Model II, the Chow and Lagrange Multiplier test results showed that the best model was the Common Effect Model. Therefore, the Hausman test is not required.

Table 5: classical assumption test

Test	Model I (ESG → Return)	Model II (ESG × Size → Return)
Multicollinearity Test	Pearson value < 0.8	Pearson value < 0.8
Autocorrelation Test	Durbin-Watson (D-W) value is 2.06	Durbin-Watson (D-W) value is 2.06
Heteroscedasticity Test	Sig. Glejser > 0.05	Sig. Glejser < 0.05 but White Test Prob 0.745 > 0.05

The Effect of Environmental, Social, and Governance Score on Stock Returns: The Moderating Role of Company Size n The Indonesiann Stock Exchange

10590

Based on Table 5, the results of the classical assumption test on both models showed that all regression assumptions were met. There was no multicollinearity, autocorrelation, or heteroscedasticity. Consequently, the model was suitable for further testing.

Table 6: panel data regression analysis

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.007711	0.268391	-0.028731	0.9771
X1	-0.501283	0.250194	-2.003575	0.0479
X2	0.704082	0.317628	2.216692	0.0290
X3	-0.214897	0.242707	-0.885418	0.3781
R-squared	0.057632	Mean dependent var		0.000392
Adjusted R-squared	0.028784	S.D. dependent var		0.276552
S.E. of regression	0.272543	Akaike info criterion		0.276383
Sum squared resid	7.279392	Schwarz criterion		0.379323
Log likelihood	-10.09553	Hannan-Quinn criter.		0.318067
F-statistic	1.997780	Durbin-Watson stat		2.062063
Prob(F-statistic)	0.119315			

Based on table 6, the environmental score variable had negative effect on stock returns, while the social score had a positive effect. Governance score had no significant effect. These means that only attention to social aspects was positively received by the market. Meanwhile, based on the F test, the three variables had no effect on stock returns. Therefore, based on the adjusted R-squared value, the contribution of the Environmental Issue (X_1), Social Issue (X_2), and Governance Issue (X_3) variables before the moderation variable (Company Size) in explaining the variation in stock returns is 2.8%.

Table 7: moderation regression analysis

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.756878	3.557137	1.056152	0.2936
X1	-0.834262	3.397813	-0.245529	0.8066
X2	-2.319811	3.905981	-0.593912	0.5540
X3	-1.214741	3.220706	-0.377166	0.7069
Y	-0.194589	0.194551	-1.057252	0.2931
X1_Z	0.020274	0.180644	0.112233	0.9109
X2_Z	0.160930	0.207312	0.776266	0.4395
X3_Z	0.056669	0.172790	0.327965	0.7437
R-squared	0.070646	Mean dependent var		0.000392
Adjusted R-squared	0.001439	S.D. dependent var		0.276552
S.E. of regression	0.276353	Akaike info criterion		0.340908
Sum squared resid	7.178861	Schwarz criterion		0.546788
Log likelihood	-9.386297	Hannan-Quinn criter.		0.424276
F-statistic	1.020795	Durbin-Watson stat		2.082010
Prob(F-statistic)	0.421873			

Based on Table 7, none of the interactions between ESG and firm size were in effect. This means that company size did not moderate the effect of ESG on stock returns, both on environmental, social, and governance issues. Meanwhile, based on the F test, the three variables interacted with company size had no effect on stock returns. Therefore, based on the adjusted R-squared value, the contribution of the Environmental Issue (X_1), Social Issue (X_2), and Governance Issue (X_3) variables after the moderation variable (Company Size) in explaining the variation in stock returns is 0.14%.

The results answer the hypothesis that Environmental scores had a negative impact on stock returns. This supports the trade-off theory where the costs of environmental sustainability practices are not commensurate with the short-term reputational benefits, which can suppress profitability. In contrast, the social score had a positive effect. It proves that corporate social responsibility practices can increase investor confidence and drive-up share prices. The insignificant effect of Governance showed that the governance implemented by the company was still symbolic or had not fully become a differentiating signal in the capital market.

The effect of environmental score on stock returns

The results showed that Environmental Score had a negative effect on stock returns of LQ45 companies for the 2019-2024 period. This finding scientifically explains that the implementation of environmental policies often incurs considerable additional costs, such as costs for environmentally friendly technology, certification, and sustainability audits. Based on Trade-Off Theory by Kraus and Litzenberger (1973), cost burdens that are not offset by reputational benefits or market appreciation can suppress net income and ultimately reduce stock returns. In other words, although environmental policies are expected to be a positive signal, investors in Indonesia still seem to be more inclined to focus on the immediate impact on short-term profitability.

Moreover, this result supports several previous studies that found a similar direction of influence, such as Luo (2022), which explained that the costs of implementing environmental policies may exceed the reputational benefits, especially in emerging markets. On the other hand, this result contradicts the findings of Hanjani and Yanti (2024) who showed a positive effect of environmental disclosure on stock returns. This discrepancy suggests that the market's appreciation of environmental score in Indonesia still depends on the sector context, signal effectiveness, and the level of investor awareness. Thus, companies need to consider the effectiveness of cost management and the quality of environmental policy communication to truly provide additional value.

The effect of social score on stock returns

The results showed that Social Score had a positive effect on stock returns in LQ45 companies for the 2019-2024 period. Scientifically, these findings support Stakeholder Theory by Freeman (1984) which emphasizes the importance of companies maintaining good relationships with employees, communities, and other stakeholders. Concern for social aspects, such as employee welfare, work safety, and social contributions, can build public trust, strengthen corporate reputation, and increase investor loyalty. This in turn has an impact on lower risk perception, stable stock prices, and increased returns.

The Effect of Environmental, Social, and Governance Score on Stock Returns: The Moderating Role of Company Size n The Indonesiann Stock Exchange

10592

This finding is also in line with the results of research by Hanjani and Yanti (2024) and Agustin et al. (2024) which showed that social disclosure contributes positively to the increase in market value in Indonesia. This fact showed that the domestic capital market had begun to appreciate companies that demonstrate real social responsibility. Even so, the effectiveness of the influence of social aspects still depends on the quality of reporting and the seriousness of the implementation of social programs. Thus, companies are advised to maintain consistent and measurable social practices to continue to attract investor confidence while having a real impact on increasing stock returns.

The effect of Governance score on stock returns

The results showed that Governance Score had no effect on stock returns in LQ45 companies for the 2019-2024 period. Scientifically, this finding can be explained through Institutional Theory by Meyer and Rowan (1977) and further developed by DiMaggio and Powell (1983). which states that governance practices in many large companies are often only carried out as regulatory obligations and symbols of legitimacy, not as a substantive differentiating strategy. As a result, good governance no longer has enough signaling power to influence investors' perceptions of potential returns. In other words, governance practices are the minimum standard, so the market does not reward companies that merely fulfill governance formalities.

This finding was in line with Luo's research (2022), which also found that governance disclosure did not significantly affect stock returns in developed markets, and it also supported the views of Budiharjo (2016) in Indonesia. This suggests that investors in the Indonesian capital market may focus more on direct financial factors, such as profitability, dividends, or growth prospects, or on other dimensions of sustainability that have a more visible and measurable impact, such as social aspects. The relatively weak influence of governance disclosure indicates that governance information alone may not be sufficient to influence investor decisions if it is only formal or procedural. For governance to function optimally as a signal of trust and professionalism, companies need to ensure that their governance practices are substantive, transparent, and consistently implemented to demonstrate a real competitive advantage that can convince investors and the market.

The moderating role of company size on the effect of Environmental Score on Stock Returns

The results showed that company size was unable to moderate the effect of Environmental Score on stock returns in LQ45 companies for the 2019-2024 period. Theoretically, companies with large scale are expected to have stronger resources and supervision so that sustainability signals - especially related to environmental management - will be more credible and appreciated by the market (Signaling Theory). However, these results prove that even though large companies have better implementation capacity, the environmental signals provided have not been able to significantly increase investor confidence to increase stock returns.

This finding supports the view of the Trade-Off Theory by Kraus and Litzenberger (1973), where the high cost of environmental management still burdens financial performance despite the size of the company. In addition, in the context of the Indonesian capital market,

investor awareness of the long-term benefits of environmental aspects is still relatively low. This study is also consistent with the results of Sulfitri et al. (2025) who found that company size does not always strengthen the influence of ESG on stock returns. Thus, even large companies need to ensure that environmental policies are not only carried out as a symbol of compliance, but are truly integrated with business strategies so that the economic benefits can be seen and appreciated by the market.

The moderating role of company size on the effect of Social Score on Stock Returns

The results showed that company size was unable to strengthen the influence of Social Score on stock returns in LQ45 companies for the 2019-2024 period. Theoretically, large companies should have a better reputation and capacity in managing social programs so that their social care signals are more convincing to investors (Stakeholder Theory by Freeman, 1984). However, this result shows that even though the company has a large scale, the positive impact of social practices does not get stronger just as of size, but it still depends on the quality of the social program itself and the market's perception of its benefits.

This result is in line with several studies that found that the moderating factor of company size is more dominant in influencing firm value than directly on stock returns. This means that in the Indonesian capital market, investors respond more to tangible evidence of social concern rather than just looking at company scale as a guarantor of credibility. Thus, large companies still need to maintain consistency in the implementation of social programs that are transparent, measurable, and truly bring benefits to stakeholders so that the effect on stock returns remains optimal even though the moderating effect of size is not significantly.

The moderating role of company size on the effect of Governance Score on Stock Returns

The results showed that company size was unable to moderate the effect of Governance Score on stock returns in LQ45 companies for the 2019-2024 period. This finding theoretically explains that although large companies are expected to have more formal, transparent, and more closely monitored governance structures, the reality is that good governance often only serves as a minimum obligation (Institutional Theory by Meyer and Rowan, 1977). As a result, despite the large scale of the company, governance practices do not provide enough added value to be a differentiating signal for investors so that its effect on stock returns is also not strengthened by company size.

This result supports the research of Sulfitri et al. (2025) which found that company size does not significantly strengthen the relationship between governance and stock returns. This also shows that governance that is implemented symbolically or only to meet reporting standards will not affect market valuation, regardless of the size of the company. Thus, to make governance a competitive advantage that has an impact on returns, companies must ensure that governance is carried out substantially, consistently, and produces transparency that investors really value.

CONCLUSION

This study concludes that the implementation of sustainability score through ESG dimensions produces varied impacts on stock returns in large companies listed on the LQ45

The Effect of Environmental, Social, and Governance Score on Stock Returns: The Moderating Role of Company Size n The Indonesiann Stock Exchange

10594

Index. The key scientific finding is that environmental score tends to have a negative effect on stock returns, which indicated that the costs associated with environmental management had not been fully compensated by market appreciation. In contrast, social score positively affects stock returns, confirming that stakeholders and investors value tangible social responsibility that strengthens trust and company reputation. Meanwhile, governance score showed no significantly impact, suggesting that governance practices are often perceived as a standard requirement rather than a unique signal of superior corporate quality. Furthermore, firm size did not strengthen the influence of ESG dimensions on stock returns, indicating that larger scale alone did not guarantee that ESG signals will be more effective in influencing investor behavior in the Indonesia context. This underlines the need for companies to not only expand sustainability score but also ensure its substance and integration into real business strategies that generate measurable financial value. Future research should explore sector-specific characteristics and investor perception models to better explain why certain ESG aspects are not yet optimally rewarded in the Indonesian capital market. In addition, investigating the role of market awareness and regulatory enforcement could help strengthen the link between sustainability practices and long-term value creation for shareholders.

REFERENCES

Adhi, R. E., & Cahyonowati, N. (2023). Pengaruh Environmental, Social, and Governance Disclosure terhadap Nilai Perusahaan dengan Ukuran Perusahaan sebagai Variabel Moderasi (Studi Empiris Perusahaan Non-Keuangan di Bursa Efek Indonesia Tahun 2019–2021). *Diponegoro Journal of Accounting, 12*(3).

Agustin, I. N., et al. (2024). ESG performance and Indonesian stock return. *Jurnal Riset Akuntansi dan Keuangan, 12*(2), 919–932.

Awaysheh, A., Heron, R. A., Perry, T., & Wilson, J. I. (2020). On the relation between corporate social responsibility and financial performance. *Strategic Management Journal, 41*(6), 965–987. https://doi.org/10.1002/smj.3122

Clark, G. L., Feiner, A., & Viehs, M. (2015). *From the stockholder to the stakeholder: How sustainability can drive financial outperformance*. University of Oxford and Arabesque Partners.

Connelly, B. L., Certo, S. T., Ireland, R. D., & Reutzel, C. R. (2011). Signaling theory: A review and assessment. *Journal of Management, 37*(1), 39–67. https://doi.org/10.1177/0149206310388419

DiMaggio, P. J., & Powell, W. W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review, 48*(2), 147–160. https://doi.org/10.2307/2095101

Donaldson, T., & Preston, L. E. (1995). The stakeholder theory of the corporation: Concepts, evidence, and implications. *Academy of Management Review, 20*(1), 65–91. https://doi.org/10.5465/amr.1995.9503271992

Eryani, M. A., Firdaus, F., & Nuryartono, N. (2023). Literature review: Prospects of increasing interest rates on firm value and stock returns. *COSTING: Journal of Economic, Business and Accounting, 6*(2), 1168–1180.

Fatemi, A., Glaum, M., & Kaiser, S. (2018). ESG performance and firm value: The moderating role of disclosure. *Global Finance Journal, 38*, 45–64. https://doi.org/10.1016/j.gfj.2017.03.001

Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Pitman.

Hanjani, Y., & Yanti, L. N. (2024). Pengaruh pengungkapan lingkungan, sosial, tata kelola (ESG), dan ukuran perusahaan terhadap return saham. *Journal of Social and Economics Research, 6*(1), 1748–1761.

Jogiyanto, H. M. (2014). *Teori portofolio dan analisis investasi* (10th ed.). BPFE-Yogyakarta.

Kraus, A., & Litzenberger, R. H. (1973). A state-preference model of optimal financial leverage. *The Journal of Finance, 28*(4), 911–922. https://doi.org/10.2307/2978343

Luo, D. (2022). ESG, liquidity, and stock returns. *Journal of International Financial Markets, Institutions and Money, 78*, 101526. https://doi.org/10.1016/j.intfin.2022.101526

Meyer, J. W., & Rowan, B. (1977). Institutionalized organizations: Formal structure as myth and ceremony. *American Journal of Sociology, 83*(2), 340–363. https://doi.org/10.1086/226550

Safira, L., & Budiharjo, R. (2021). Pengaruh return on asset, earning per share, price earning ratio terhadap return saham. *AKURASI: Jurnal Riset Akuntansi dan Keuangan, 3*(1), 57–66.

Selasi, D., Indiyani, P., & Jolehah, S. (2024). Peran Pasar Modal Dalam Pertumbuhan Ekonomi Di Indonesia. *Moneter: Jurnal Ekonomi Dan Keuangan*, *3*(1), 74-89.

Sulfitri, V., Yanti, H. B., & Lestari, R. (2025). Pengaruh pengungkapan laporan keberlanjutan, akuntansi hijau, dan tata kelola perusahaan terhadap return saham LQ45 dengan ukuran perusahaan sebagai variabel moderasi. *Postgraduate Management Journal, 4*(2), 178–194.

Syamsuddin, S., & Khaddafi, M. (2024). Analisis komparatif risiko dan return pada saham dan obligasi di Bursa Efek Indonesia: Implikasi bagi investor. *Jurnal Ekonomi, Bisnis dan Manajemen (EBISMEN), 3*(2), 61–76.

Yudha, N. T. K., & Ariyanto, D. (2022). Umur dan ukuran perusahaan memoderasi pengaruh corporate social responsibility terhadap nilai perusahaan. *E-Jurnal Akuntansi, 32*(3), 593–605.