Journal of State Economic Research
Published by Yayasan Cerdas Pedia Indonesia
Volume 1 Issue 4, 2026 ISSN (Online) 3110-3863
Journal Homepage: https://jurnal.smartpedia.co.id/index.php/jser

The Impact of ESG Disclosure and Risk Management on Firm Value: Empirical Study in ASEAN

Pengaruh Pengungkapan ESG dan Manajemen Risiko Terhadap Nilai Perusahaan: Studi Empiris di ASEAN

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History:
Submitted: 27-05-2026
Revised: 27-06-2026
Accepted: 29-06-2026

Keyword:
ASEAN; ESG Disclosure; Firm Value; Risk Management.

Kata Kunci:
ASEAN; Manajemen Risiko; Nilai Perusahaan; Pengungkapan ESG.

https://doi.org/10.65101/jser.v1i4.406

Abstract

This study examines the effect of Environmental, Social, and Governance (ESG) disclosure and risk management on firm value in public companies within the Association of Southeast Asian Nations (ASEAN) during 2020–2024. The study employs a quantitative approach using balanced panel data from 272 public companies across ASEAN countries obtained from Refinitiv Eikon. Firm value is proxied by Price to Book Value (PBV), ESG disclosure is measured using ESG Score, while risk management is proxied by Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA). Data were analyzed using panel data regression with the Fixed Effect Model (FEM). The results indicate that ESG disclosure has a positive and significant effect on firm value, while risk management has no significant effect. These findings suggest that investors increasingly consider sustainability, transparency, and corporate governance in investment decision-making. This study contributes to the literature on ESG disclosure, risk management, and firm value in emerging markets within the ASEAN region.

Abstrak

Penelitian ini bertujuan untuk menganalisis pengaruh pengungkapan *Environmental, Social, and Governance* (ESG) dan manajemen risiko terhadap nilai perusahaan pada perusahaan publik di kawasan Association of Southeast Asian Nations selama periode 2020–2024. Penelitian menggunakan pendekatan kuantitatif dengan data panel seimbang dari 272 perusahaan publik di ASEAN yang diperoleh melalui Refinitiv Eikon. Nilai perusahaan diproksikan menggunakan *Price to Book Value* (PBV), pengungkapan ESG diukur menggunakan ESG Score, sedangkan manajemen risiko diproksikan menggunakan *Earnings Before Interest, Taxes, Depreciation, and Amortization* (EBITDA). Analisis data dilakukan menggunakan regresi data panel dengan pendekatan *Fixed Effect Model* (FEM). Hasil penelitian menunjukkan bahwa pengungkapan ESG berpengaruh positif dan signifikan terhadap nilai perusahaan, sedangkan manajemen risiko tidak berpengaruh signifikan. Temuan ini mengindikasikan bahwa investor semakin mempertimbangkan aspek keberlanjutan, transparansi, dan tata kelola perusahaan dalam pengambilan keputusan investasi. Penelitian ini memberikan kontribusi terhadap pengembangan literatur mengenai ESG, manajemen risiko, dan nilai perusahaan pada pasar berkembang di kawasan ASEAN.

A. INTRODUCTIONS

1. Backgrounds

Firm value reflects market perceptions of a company's ability to generate future economic benefits, as indicated by its growth prospects, profitability, and financial stability.[1] Beyond financial performance, firm value is increasingly influenced by investors' perceptions of corporate transparency, governance quality, and sustainability practices.[2] In addition, factors such as corporate reputation, business ethics, social responsibility, and capital structure play a critical role in shaping firm value due to their association with corporate risk and cost of capital.[3] Accordingly, firm value represents the integration of financial performance, risk management capability, and corporate commitment to sustainable ESG practices.

Firm value, as reflected in market capitalization, serves as an important indicator of investors' perceptions regarding a company's growth prospects, performance stability, and governance quality. In a regional context, market capitalization not only reflects individual firm value but also represents the level of development and depth of a country's capital market. Within the Association of Southeast Asian Nations (ASEAN) region, capital market development has become increasingly competitive alongside deeper regional economic integration and rising cross-border investment flows. According to data from the World Federation of Exchanges (2025), Indonesia recorded the largest market capitalization in ASEAN at USD 789 billion, followed by Singapore at USD 761 billion, Thailand at USD 517 billion, Malaysia at USD 465 billion, and the Philippines at USD 250 billion. These differences in market capitalization indicate variations in capital market development and market characteristics across ASEAN countries in shaping optimal firm value.

The following table presents a comparison of stock market capitalization across ASEAN countries, which serves as a proxy for firm value:

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[1] Vegy Tasya Ashari and Mia Ika Rahmawati, "The Nexus Between ESG Risk, Capital Structure, Profitability, and Firm Value: Firm Size as a Moderator," *Jurnal Akuntansi the Nexus Between* 35, no. No. 8 (2025): 2321–35, https://doi.org/10.24843/EJA.2025.v35.i08.p11.
[2] Dian Permata Sari et al., "Corporate Governance, ESG Disclosure, and Firm Value: Evidence from Public Companies in Indonesia," *Journal of Economics and Management* 3, no. 2 (2025): 42–51, https://doi.org/10.70716/ecoma.v3i2.235.
[3] Devi Cheilsa Sumarno, Wuryan Andayani, and Yeney Widya Prihatiningtyas, "The Effect of Environmental, Social and Governance (ESG) Assessment on Firm Value with Profitability as a Mediating Variable," *Asia Pacific Management and Business Application* 12, no. 1 (2023): 55–64, https://doi.org/10.21776/ub.apmba.2023.012.01.4.

Table 1. Domestic Market Capitalization in the ASEAN Region (USD miliar)

Stock Exchange/Country	Market Capitalization
Indonesia Stock Exchange (IDX)	789,270.53
Singapore Exchange (SGX)	761,442.90
The Stock Exchange of Thailand (SET)	517,624.81
Bursa Malaysia (KLSE)	465,300.27
Philippine Stock Exchange (PSE)	250,530.41

Source: World Federation of Exchanges (2025)

In examining the determinants of firm value, considerable scholarly attention has been directed toward the role of Environmental, Social, and Governance (ESG) disclosure. However, prior empirical findings remain inconclusive. Several studies report that ESG disclosure has no significant effect on firm value[4] and may even exert a negative impact due to the additional costs associated with sustainability practices.[5] In contrast, other studies demonstrate that ESG disclosure positively influences firm value by enhancing corporate reputation and strengthening investor confidence.[6,7] These inconsistent findings suggest that the relationship between ESG disclosure and firm value remains an ongoing academic debate, particularly among firms operating in the ASEAN region.

These inconsistent findings suggest that the relationship between ESG disclosure and firm value requires further investigation. Such variations may arise from differences in geographical context, industry characteristics, observation periods, and analytical approaches employed across studies. This condition highlights an important research gap, particularly within the ASEAN region, where sustainability practices and corporate transparency have received increasing attention. Therefore, this study seeks to provide a deeper understanding of the effect of ESG disclosure on firm value by incorporating financial factors that may serve as moderating mechanisms, thereby offering practical insights for the development of corporate sustainability strategies in ASEAN firms.

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[4] Putri Dwi Wahyuni, Siska Widia Utami, and Juita Tanjung, "The Impact of ESG Disclosure on Firm Value Relevance: Moderating Effect of Competitive Advantage," *European Journal of Accounting, Auditing and Finance Research* 12, no. 8 (2024): 19–33, https://doi.org/10.37745/ejaafr.2013/vol12n81933.
[5] Putri Angir and Weli Weli, "The Influence of Environmental, Social, and Governance (ESG) Disclosure on Firm Value: An Asymmetric Information Perspective in Indonesian Listed Companies," *Binus Business Review* 15, no. 1 (February 7, 2024): 29–40, https://doi.org/10.21512/bbr.v15i1.10460.
[6] Shirwan Rafiq Sdiq and Hariem A. Abdullah, "Examining the Effect of Agency Cost on Capital Structure-Financial Performance Nexus: Empirical Evidence for Emerging Market," *Cogent Economics and Finance* 10, no. 1 (2022), https://doi.org/10.1080/23322039.2022.2148364.
[7] Graciella Tanaya, Hatane Semuel, and Devie Devie, "The Effect of Corporate Social Responsibility on Firm Value with Tax Avoidance and Sustainable Financial Performance as Mediators," *Petra International Journal of Business Studies* 6, no. 2 (2023): 157–66, https://doi.org/10.9744/petraijbs.6.2.157-166.

Risk management has also emerged as an important factor influencing investors' perceptions of firm value. Nevertheless, prior studies examining the relationship between risk management and firm value have reported mixed findings. Some studies suggest that risk management may reduce firm value because it is interpreted as a signal of increasing corporate risk, whereas others argue that effective risk management enhances investor confidence and contributes positively to firm value.[8,9,10] These inconsistent findings indicate that the relationship between risk management and firm value remains inconclusive and warrants further investigation, particularly among public companies in the ASEAN region.

These divergent findings indicate that the relationship between risk management implementation and firm value remains inconclusive. Variations in the direction and magnitude of the relationship may be attributed to differences in industry context, economic conditions, observation periods, and measurement indicators employed across studies. Accordingly, this condition highlights an important research gap that warrants further investigation to better understand how risk management contributes to firm value creation across different market contexts and business environments.

This study offers novelty by examining the effects of ESG disclosure and risk management on firm value among public companies in the ASEAN region using a cross-country approach. Unlike prior studies that predominantly focus on a single country or specific industry sector, this study incorporates multiple ASEAN countries and various industries, thereby providing a more comprehensive understanding of the relationships among the variables within the heterogeneous characteristics of emerging markets. Furthermore, this study integrates sustainability aspects through ESG disclosure and internal corporate aspects through risk management in explaining firm value, offering a broader perspective than previous studies that tend to examine these variables separately.

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[8] Dihin Septyanto and Ikhwan Maulid Nugraha, "The Influence of Enterprise Risk Management, Leverage, Firm Size and Profitability on Firm Value in Property and Real Estate Companies Listed on the Indonesian Stock Exchange in 2016-2018," *KnE Social Sciences* 2021 (2021): 663–80, https://doi.org/10.18502/kss.v5i5.8850.

[9] Rahma Dewi and Asniati Bahari, "Analisis Pengaruh Enterprise Risk Management Terhadap Firm Value Bagi Perusahaan Menerapkan ERP," *Jurnal Akuntansi Keuangan Dan Bisnis* 16, no. 2 (2023): 235–44, https://doi.org/10.35143/jakb.v16i2.5832.

[10] Maya Indriastuti, Anis Chariri, and Fuad Fuad, "Enhancing Firm Value : The Role of Enterprise Risk Management , Intellectual Capital , and Corporate Social Responsibility Responsabilidad Social Corporativa" 70, no. 1 (2025): 184–210.

2. Research Problem

Based on the background presented above, this study focuses on the effect of ESG disclosure on firm value among public companies in the ASEAN region. ESG disclosure is considered an important indicator of corporate sustainability that may influence investors' perceptions of corporate prospects, transparency, and governance quality. In addition, this study also examines the effect of risk management on firm value among public companies in ASEAN. Risk management plays an important role in supporting corporate stability, as it reflects a company's ability to manage uncertainty and operational risks that may affect market perceptions of firm value.

3. Research Method

This study employs a quantitative approach with a hypothesis-testing design to examine the effects of ESG disclosure and risk management on firm value among public companies in the ASEAN region over the 2020–2024 period. Balanced panel data were obtained from Refinitiv Eikon. Firm value is proxied by Price to Book Value (PBV), risk management by Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA), capital structure by Debt-to-Equity Ratio (DER), and ESG disclosure by ESG Score.

The sample was selected using purposive sampling based on data completeness across all variables. To provide broader empirical insights, the study does not restrict the sample to specific industry sectors. Based on the established criteria, 272 companies were included in the final sample.

Table 2. Research Sample Distribution

No	Country	Number of Companies
1	Thailand	88
2	Singapura	62
3	Malaysia	54
4	Indonesia	41
5	Filipina	26
6	Vietnam	1
	Total	**272**

Source: Processed by the author (2026)

Data analysis was conducted using Microsoft Excel and EViews. This study employed panel data regression using the Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM). The most appropriate estimation model was selected through the Chow, Hausman, and Lagrange Multiplier tests.

Prior to hypothesis testing, classical assumption tests, including multicollinearity, heteroscedasticity, and autocorrelation tests, were performed to ensure the robustness of the regression model. Multicollinearity was assessed using the correlation matrix, heteroscedasticity through residual analysis, and autocorrelation using the Durbin–Watson statistic. Hypotheses were tested using the partial t-test at a 5% significance level.

B. RESULT AND DISCUSSION

1. RESULT

The research sample reflects the heterogeneity of public companies across the ASEAN region in terms of capital market development and industry characteristics. The sample encompasses various industry sectors, with manufacturing, finance and insurance, construction, and utilities representing the largest proportions. This geographical and sectoral diversity indicates differences in ESG disclosure practices, risk management implementation, and market conditions across firms, thereby providing broader empirical insights into the relationships among the research variables within the ASEAN context. The detailed distribution of the research sample is presented in Table 3.

Tabel 3. Sample Distribution

No	Industry Sector	Indonesia	Malaysia	Filipina	Singapura	Thailand	Vietnam	Total
1	Accommodation and Food Services		2	1	1	4		8
2	Administrative and Support and Waste Management and Remediation Services				1	1		2
3	Agriculture, Forestry, Fishing and Hunting		1		2			3
4	Arts, Entertainment, and Recreation		1					1
5	Construction	4	6	6	6	11		33
6	Finance and Insurance	6	9	4	3	14		36
7	Health Care and Social Assistance		1		1	3		5
8	Information	6	5	2	3	4		20
9	Manufacturing	12	15	4	12	21	1	65
10	Mining, Quarrying, and Oil and Gas Extraction	6	4			2		12

No	Industry Sector	Indonesia	Malaysia	Filipina	Singapura	Thailand	Vietnam	Total
11	Professional, Scientific, and Technical Services				1	2		3
12	Real Estate and Rental and Leasing	2		2	19			23
13	Retail Trade	2	2	2	2	6		14
14	Transportation and Warehousing	1	2	1	7	4		15
15	Utilities	1	3	4	2	14		24
16	Wholesale Trade	1	3		2	2		8
	Total	**41**	**54**	**26**	**62**	**88**	**1**	**272**

Source: Processed by the author (2026)

Panel Data Regression Model Selection Results

a. Chow Test

The Chow test was used to determine the most appropriate model between the *Common Effect Model* (CEM) and the *Fixed Effect Model* (FEM). The results indicate that the probability values of the *Cross-section F* and *Cross-section Chi-square* tests are 0.0000 (<0.05), suggesting that the *Fixed Effect Model* is more appropriate for the data characteristics of this study.

Table 4. Chow Test Result

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	31.550881	(271,1085)	0.0000
Cross-section Chi-square	2970.039092	271	0.0000

Source: EViews 14 Student Version output, processed by the author (2026).

b. Hausman Test

The Hausman test was used to determine the most appropriate model between the Fixed Effect Model (FEM) and the Random Effect Model (REM). The results show a probability value of 0.0052 (<0.05), indicating that the Fixed Effect Model was selected as the most appropriate model for this study.

Table 5. Hausman Test Result

Correlated Random Effects - Hausman Test Equation: Untitled Test cross-section random effects			
Test Summary	**Chi-Sq. Statistic**	**Chi-Sq. d.f.**	**Prob.**
Cross-section random	12.741998	3	0.0052

Source: EViews 14 Student Version output, processed by the author (2026).

c. Lagrange Multiplier Test

The Lagrange Multiplier test was used to determine the most appropriate model between the Common Effect Model (CEM) and the Random Effect Model (REM). The results indicate a Breusch–Pagan probability value of 0.0000 (<0.05), suggesting that the Random Effect Model is more appropriate than the Common Effect Model.

Table 6. Lagrange Multiplier Test Result

Lagrange Multiplier Tests for Random Effects Null hypotheses: No effects Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives			
	Test Hypothesis		
Test	**Cross-section**	**Time**	**Both**
Breusch-Pagan	1971.290	2.132397	1973423
	(0.0000)	(0.1442)	(0.0000)
Honda	44.39921	1.460273	3242755
	(0.0000)	(0.0721)	(0.0000)
King-Wu	44.39921	1.460273	6804360
	(0.0000)	(0.0721)	(0.0000)
Standardized Honda	44.65034	2.019369	2405633
	(0.0000)	(0.0217)	(0.0000)
Standardized King-Wu	44.65034	2.019369	4519451
	(0.0000)	(0.0217)	(0.0000)
Gourieroux, et al.	--	--	1973.423
			(0.0000)

Source: EViews 14 Student Version output, processed by the author (2026).

Classical Assumption Test Results

a. Multicollinearity Test

The multicollinearity test results presented in Table 2.5 show that all correlation coefficients among the independent variables are below 0.80, suggesting the absence of multicollinearity in the regression model. These findings indicate that each independent variable captures different information in explaining the dependent variable.

Table 7. Multicollinearity Test Result

	Correlation		
Variabel	**X1**	**X2**	**Z**
X1	1.000000	-0.106007	-0.008784
X2	-0.106007	1.000000	0.106072
Z	-0.008784	0.106072	1.000000

Source: EViews 14 Student Version output, processed by the author (2026).

b. Heteroscedastity Test

The heteroscedasticity test was assessed through residual distribution analysis to examine the stability of residual variance in the regression model. The results indicate that the residuals are randomly distributed around the zero line without forming any systematic pattern, suggesting the absence of significant heteroscedasticity in the regression model.

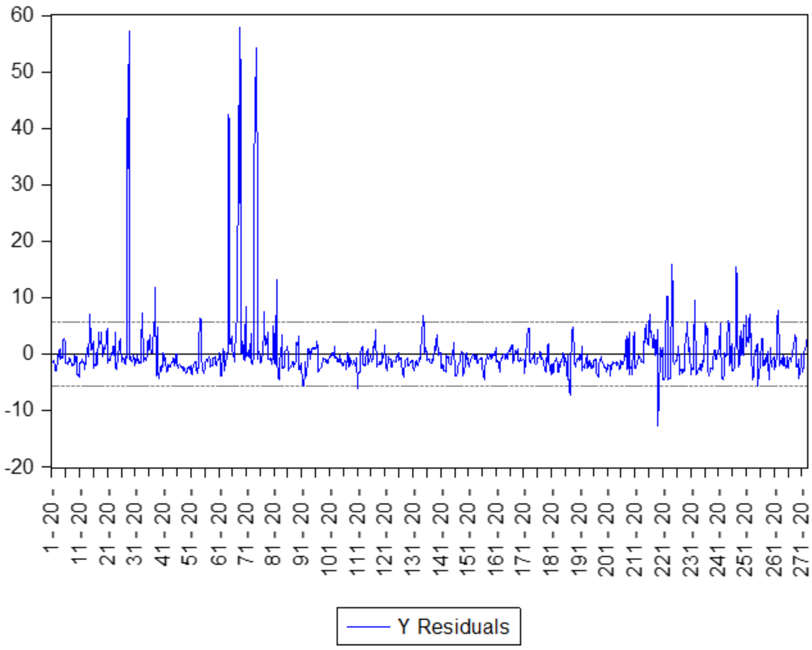

Figure 8. Heteroscedasticity Test Result

Source: EViews 14 Student Version output, processed by the author (2026).

c. Autocorrelation Test

The Durbin–Watson statistic was used to examine autocorrelation across observation periods. As reported in Table 2.6, the Durbin–Watson value is 1.181, indicating a tendency toward positive autocorrelation among the residuals. However, this condition remains acceptable in panel data analysis due to the heterogeneity across firms and observation periods. Therefore, the regression model is considered appropriate for hypothesis testing.

Table 9. Autocorrelation Test Result

Weighted Statistics			
R-squared	0.714761	Mean dependent var	0.533865
Adjusted R-squared	0.714130	S.D. dependent var	4.023131
S.E. of regression	2.151041	Sum squared resid	6274.181
F-statistic	1132.635	Durbin-Watson stat	1.181121
Prob(F-statistic)	0.000000		

Source: EViews 14 Student Version output, processed by the author (2026).

Hypothesis Testing Results

Hypotheses were tested using the partial t-test to examine the effects of the independent variables on firm value. The results indicate that ESG disclosure has a positive and significant effect on firm value (p = 0.0021), supporting H1. The positive regression coefficient (0.0338) suggests that higher ESG disclosure is associated with higher firm value. Meanwhile, risk management does not significantly affect firm value (p = 0.8971), leading to the rejection of H2. Although the regression coefficient is negative (-0.0943), the effect is statistically insignificant.

Table 10. Partial Test Result (t test)

Variabel	Koefisien	Std. Error	t-Statistic	Prob.	Keterangan
C	1.144.524	0.700143	1.634.702	0.1023	--
X1 (ESG)	0.033785	0.010942	3.087.562	0.0021	H-1 Diterima
X2 (Manajemen Risiko)	-0.09432	0.728909	-0.1294	0.8971	H-2 Ditolak

Source: EViews 14 Student Version output, processed by the author (2026).

The regression results can be expressed in the following equation:

$$Y = 1.1445 + 0.0338X_1 - 0.0943X_2$$

The equation indicates that ESG disclosure is positively associated with firm value, whereas risk management shows a negative but statistically insignificant association with firm value.

2. DISCUSSION

a. ESG Disclosure and Firm Value in ASEAN Public Companies

The findings indicate that ESG disclosure has a positive and significant effect on firm value among public companies in the ASEAN region. This result suggests that higher levels of ESG disclosure are associated with higher firm value, as reflected in *Price to Book Value* (PBV). The findings further imply that investors in ASEAN capital markets increasingly consider sustainability-related aspects in investment decision-making, leading companies with stronger ESG practices to receive higher market valuations.

From a theoretical perspective, this relationship can be explained by *signaling theory*, which views ESG disclosure as a positive signal of a company's commitment to sustainability, transparency, and long-term risk management. ESG-related disclosures help reduce information asymmetry and enhance investor confidence in the company's future prospects. In addition, *stakeholder theory* suggests that firms capable of meeting stakeholder expectations through sustainability practices and sound corporate governance are more likely to gain legitimacy and stronger market support.

These findings are consistent with prior studies suggesting that ESG disclosure contributes to firm value enhancement through improved corporate reputation, transparency, and investor confidence.[11,12,13,14] In the context of the developing ASEAN capital market, ESG disclosure also serves as a differentiation mechanism among firms in attracting global investment. Companies with higher levels of ESG disclosure are generally perceived as having stronger long-term prospects, lower risk exposure, and better governance quality. Therefore, ESG disclosure functions not only as a transparency mechanism but also as a strategic instrument for enhancing firm value in ASEAN capital markets.

Growing regulatory and investor attention toward sustainability practices has also reinforced the importance of ESG disclosure in the ASEAN region. Companies that

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[11] David C. Broadstock et al., "The Role of ESG Performance during Times of Financial Crisis: Evidence from COVID-19 in China," *Finance Research Letters* 38, no. August 2020 (2021): 101716, https://doi.org/10.1016/j.frl.2020.101716.

[12] Amina Buallay, "Is Sustainability Reporting (ESG) Associated with Performance? Evidence from the European Banking Sector," *Management of Environmental Quality: An International Journal* 30, no. 1 (June 5, 2018): 98–115, https://doi.org/10.1108/MEQ-12-2017-0149.

[13] Woei Chyuan Wong et al., "Does ESG Certification Add Firm Value?," *Finance Research Letters* 39 (2021): 101593, https://doi.org/https://doi.org/10.1016/j.frl.2020.101593.

[14] Ali Fatemi, Martin Glaum, and Stefanie Kaiser, "ESG Performance and Firm Value: The Moderating Role of Disclosure," *Global Finance Journal* 38 (2018): 45–64, https://doi.org/https://doi.org/10.1016/j.gfj.2017.03.001.

demonstrate strong commitments to environmental, social, and governance aspects tend to attract greater investment interest, as they are perceived to be more adaptive to long-term risks and regulatory changes. This finding suggests that ESG disclosure has evolved beyond a mere reporting obligation and has become an integral part of corporate strategy in building competitive advantage and enhancing firm value sustainably.

These findings also reflect the increasing institutionalization of sustainability practices within ASEAN capital markets. As ESG-related regulations, sustainability reporting standards, and investor awareness continue to develop across the region, companies are facing greater pressure to integrate sustainability considerations into their corporate strategies. Consequently, ESG disclosure is no longer viewed merely as a compliance mechanism but increasingly as a value-creating activity that enhances corporate credibility, investor confidence, and long-term competitiveness in emerging markets.

b. Risk Management and Firm Value in ASEAN Public Companies

The findings indicate that risk management does not have a significant effect on firm value among public companies in the ASEAN region. Although the regression coefficient shows a negative relationship, the effect is not statistically strong enough to explain variations in firm value within the proposed model. These findings suggest that risk management has not yet become a primary factor directly considered by investors in shaping firm value within ASEAN capital markets.

In this study, risk management is proxied by *Earnings Before Interest, Taxes, Depreciation, and Amortization* (EBITDA), which reflects a company's ability to maintain operational performance stability. However, this indicator primarily represents the firm's internal financial condition and does not explicitly communicate risk management practices to investors. From the perspective of *signaling theory.*[15] information influences firm value only when it serves as a clear and interpretable signal to the market. Therefore, although risk management contributes to maintaining operational sustainability, the market may not directly associate EBITDA with corporate risk management practices.

[15] Michael Spence, "Job Market Signaling," *The Quarterly Journal of Economics* 87, no. 3 (August 1, 1973): 355–74, https://doi.org/10.2307/1882010.

These findings are consistent with prior studies suggesting that the effect of risk management on firm value is not always direct or significant.[16,17,18,19] Previous studies argue that the effectiveness of risk management is highly influenced by firm characteristics, disclosure quality, and market conditions in which companies operate. In the context of emerging markets such as the ASEAN region, investors tend to respond more strongly to explicit and observable information than to internally oriented risk management practices.

Furthermore, the heterogeneous characteristics of ASEAN markets in terms of regulations, market structures, and the maturity of risk management practices may lead to differences in the implementation and impact of risk management across countries and firms. This condition suggests that the effect of risk management on firm value is highly contextual and more closely related to long-term operational stability than to direct market valuation enhancement. Therefore, the insignificant findings of this study do not imply that risk management is irrelevant; rather, they indicate that its role in influencing firm value is more complex and may not be directly captured within the empirical model.

These findings also indicate that risk management practices in emerging markets continue to face challenges in directly creating market value. The limited investor sensitivity toward risk management indicators suggests that the effectiveness of corporate risk management has not yet been fully integrated into market valuation mechanisms within the ASEAN region. Therefore, companies need not only to improve the effectiveness of internal risk management practices, but also to strengthen the transparency and quality of risk communication toward investors and other stakeholders.

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[16] Lawrence A Gordon, Martin P Loeb, and Chih-Yang Tseng, "Enterprise Risk Management and Firm Performance: A Contingency Perspective," *Journal of Accounting and Public Policy* 28, no. 4 (2009): 301–27, https://doi.org/https://doi.org/10.1016/j.jaccpubpol.2009.06.006.
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C. CONCLUSION

This study examines the effects of ESG disclosure and risk management on firm value among public companies in the ASEAN region. The empirical findings indicate that ESG disclosure has a positive and significant effect on firm value, suggesting that the market places greater value on companies that actively disclose environmental, social, and governance information. This finding implies that ESG disclosure serves not only as a transparency mechanism but also as a strategic instrument for enhancing firm value. Risk management, on the other hand, does not significantly affect firm value. This result suggests that the risk management proxy employed in this study is not sufficient to directly explain variations in firm value among ASEAN public companies. Overall, the findings indicate that sustainability-related factors play a more prominent role than risk management indicators in shaping firm value within the ASEAN context.

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