

ABSTRACT

ESG score measurement is carried out by the Sustainalytics institute in collaboration with the Indonesia Stock Exchange (IDX) since 2023. The object in this study is a privilege because it has an ESG score that has been assessed by the Sustainalytics institute, it is necessary to know further what things can affect the ESG score of the object.

The study aims to determine the effect of corporate governance such as board diligence, board gender diversity, board size with age and company size as control variables on the ESG score of companies listed on the Indonesia Stock Exchange (IDX) assessed by Sustainalytics for the period 2023.

The study population was 79 companies assessed by Sustainalytics. The sampling technique used purposive sampling method, resulting in 78 observation data. Statistical analysis techniques with descriptive data and multiple regression analysis of cross section data using the Eviews version 12 application.

This study provides results that the board diligence, board gender diversity, and board size simultaneously affect the ESG score with the control variables of company age and company size. Partial testing shows that board gender diversity has a negative and significant effect on ESG score. Meanwhile, the variables of board diligence and board size had no effect on ESG score.

Based on the research results, future researchers can examine variables other than corporate governance that may affect ESG score such as financial ratios and green investment. For companies, it is expected to be an evaluation material in order to pay attention to governance factors that can affect ESG score. For investors, it is expected to be one of the investment decision factors to be able to consider the ESG score of companies that have been assessed by independent institutions.

Keywords : board diligence, board gender diversity, board size, ESG