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The Role of Audit Opinion as a Moderator of the Influence of ESG and GRC Disclosure on Market Reaction

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Abstract: This study aims to analyze the influence of ESG and GRC disclosures on market reaction with audit opinion as a moderating variable. The research employs a quantitative research design with a population of banking sector companies listed on the Indonesia Stock Exchange (IDX) from 2019 to 2023. The sample was selected using purposive sampling, resulting in 8 companies that met the criteria, with 5 years of observation yielding a total of 40 financial reports. Data collection was conducted through documentation studies and analyzed using Moderated Regression Analysis with panel data. The findings of this study indicate that ESG and GRC disclosures have a direct positive and significant effect on market reaction, whereas the audit opinion does not moderate the influence of ESG and GRC disclosures on market reaction. These findings are expected to be followed up by companies, particularly in the banking sector, to further optimize ESG and GRC disclosures in order to enhance investor confidence and gain a positive image in the public eye.

Keyword: Market reaction, ESG, GRC, audit opinion

INTRODUCTION

Market reaction, in this context, can be indicated by changes in stock prices recorded on the stock exchange. It is explained that the Indonesia Stock Exchange Composite Index is also considered an index that assists in measuring the performance of the prices of all stocks listed on the IDX. It is known that the IDX Composite fluctuated during the 2019 – 2023 period. In 2019, it increased by 105.04 compared to 2018, then declined by 320.47 in 2020 compared to 2019. In 2021, it rose significantly by 602.41 compared to 2020, and continued to rise in 2022 by 269.14. However, in 2023, it experienced a decline of 142.86. This illustrates that the stock prices of all listed companies on the IDX remain unstable, with the potential for declines that reflect a decrease in investor reactions to the listed stocks.

Furthermore, when viewed by sector in 2022 and 2023, it was found that most sectors experienced a decline in stock prices. Out of eleven sectors, only three recorded stock price increases, while the other eight including the financial sector suffered declines. The decrease in stock prices in the financial sector clearly reflects the low market response or reaction to this sector, which includes banking companies.

The declining trend in stock prices reflects a low market response or reaction. Several factors can influence market reaction, such as economic conditions, monetary policy, fiscal policy, global news and events, regulatory changes, and internal company information related to sustainability. In this context, it is explained that information obtained directly from the environment is considered to significantly contribute to the functioning of the capital market whether in the form of information within an economic context or information generated outside of it (Aditha & Adiputra, 2020). There are 8 banking sector companies that have received ESG ratings with varying categories. Of these 8 companies, only 1 company falls under the 'low' category, indicating a low ESG risk, while the rest are categorized as having medium ESG risk. It is also known that no banking sector companies are rated with a 'negligible' ESG risk. This should serve as a point of concern for the banking sector to improve the implementation of ESG practices.

Among the companies that received the TOP GRC Awards, only 3 were from the banking sector, and interestingly, no state-owned banks received the TOP GRC Awards in 2023. This clearly indicates that the banking sector still needs to place greater emphasis on optimizing governance, particularly in the areas of risk management and compliance. All independent auditor reports for banking sector companies included key audit matters highlighting three main points: (i) the calculation of allowance for impairment losses on loans, (ii) the operation and control over financial reporting information technology systems, and (iii) the assessment of liabilities to policyholders.

Positive accounting theory can help explain and predict accounting practices, including those related to abnormal returns. This study uses positive accounting theory as the grand theory, based on the consideration that this theory focuses more on predicting accounting practices one of which involves predicting market responses or reactions, measured using abnormal returns. In this context, abnormal return is calculated using expected return, and since expected return involves forward-looking expectations, it aligns well with the principles of positive accounting theory. Signal theory is relevant and used in this study because it examines market reactions, where companies provide signals or relevant information about their condition, including adequate environmental, social, and governance (ESG) disclosures. The information disclosed by the company serves as a positive signal to attract potential investors to invest their funds in the company. Audit opinion, as part of compliance with accounting standards, can currently serve as a guide or reference for investors to facilitate the assessment of a company's performance. Ultimately, this can help influence and enhance changes in market reaction.

The research by (Admiral & Raharja, 2023) found that environmental disclosure has a positive impact on market reaction. The findings by (Mohammad & Wasiuzzaman, 2021) also provided evidence that ESG disclosure enhances company performance, even after controlling for competitive advantage. (Yu & Xiao, 2022) in their study conducted in China, found that the influence of ESG on firm value is stronger in state-owned enterprises compared to non-state-owned companies. A study by (Aditama, 2022) explained that only the environmental score contributes directly to stock returns of companies. On the other hand, different findings were presented by (Safriani & Utomo, 2020) and (Ruan & Liu, 2021), who discovered that ESG activities have a negative and significant impact on company performance. The study by (Hutama & Budhidharma, 2022) revealed that environmental, social, and governance aspects had no significant effect on abnormal returns or return volatility.

Regarding GRC, studies by (Habsyi et al., 2021), (Hidayat, 2018), and (Pertiwi & Muslih, 2023) found that GRC has a positive impact on company performance. In contrast, research by (Maulana & Iradianty, 2022) and findings by (Setyawan et al., 2022) revealed that GRC does not significantly contribute to stock returns. Research on audit opinions was conducted by (Supriati et al., 2021), who provided evidence that an unqualified audit opinion with explanatory paragraphs had a negative and significant effect on abnormal returns specifically observed on the second day after the audit opinion announcement. Meanwhile, an unqualified audit opinion without explanatory paragraphs was found to have no contribution to abnormal returns. Findings by (Aina & Sumunar, 2023) also supported the notion that audit opinions do not contribute to stock price movements. Similarly, (Badlaoui & Cherqaoui, 2023) in their study conducted in Morocco, found no evidence that the market reacts to the issuance of modified audit opinions.

Environmental disclosure in this context reflects the performance level and image of the company, which is directly responsible for the surrounding environment. This, in turn, can lead to an increase in the assessment by investors, encouraging them to invest in the company, as well as fostering trust from the public that the company is operating in alignment with the norms and standards in the local community. Based on the signaling theory, it is explained that the company, in this position, provides data in the form of information, which is then used by investors for evaluation and as a basis for decision-making. Environmental performance improves the company's image, increases revenue, reduces costs, and shows positive abnormal stock returns from the disclosure (Prabawati & Rahmawati, 2022). Research by (Mohammad & Wasiuzzaman, 2021), (Admiral & Raharja, 2023), and (Sudhana, 2023) found that environmental disclosure has an impact on market reactions.

H_1: Environmental disclosure positively affects market reaction.

Social disclosure, in this context, is explained to include information related to the company's social performance, such as labor, human rights, product responsibility, and community involvement. The company will be able to continue moving forward, especially when the community is aware that the company's operations are based on a value system that aligns with the values prevalent in the society itself. In this regard, it is explained that through social performance disclosure, the company can automatically convey a sense of social responsibility, which will be positively received by the local community. With the open acceptance from the community, this is expected to encourage investors to make decisions regarding investments, thereby enhancing the company's value. Research by (Hardiyansah et al., 2021), (Mohammad & Wasiuzzaman, 2021), and (Yu & Xiao, 2022) demonstrated that social performance has a positive impact and a significant effect on financial performance.

H_2: Social disclosure positively affects market reaction.

Corporate governance disclosure is considered an essential component for company management, stakeholders, and provides significant benefits to the board of directors. Proper governance disclosure can enhance company value, as it serves as a tool to help prevent or reduce various risks that may be directly caused by the board's decisions, which could be made to benefit themselves. Findings by (Sudhana, 2023), (Christy & Sofie, 2023), and (Prayoga et al., 2024) revealed that governance disclosure has a positive and significant impact on company value.

H_3: Governance disclosure positively affects market reaction.

In this context, it is explained that risk disclosure will be seen as a form of responsibility by the company toward its stakeholders. Risk, in this case, can be viewed as the emergence of uncertainty related to certain activities or events. Therefore, assessing risk becomes important in ensuring the sustainability of business activities, particularly in facing the effects or impacts of potential negative outcomes that could arise from events considered to have a certain level of risk. (Siwi et al., 2023) in their research, revealed that liquidity risk analysis affects company value. A study by (Maulana & Iradianty, 2022) found that risk influences financial performance. (Habsyi et al., 2021) also found that Governance, Risk, Compliance (GRC) along with intellectual capital has a positive effect on company performance.

H_4: Risk disclosure positively affects market reaction.

Compliance is the responsibility of all bank personnel, so every level of the organization in the bank's operations has its own responsibility for creating a compliance culture. The Compliance Unit functions as a supporting partner to the bank's strategic business. In this regard, it is known that banking institutions have the duty and responsibility to properly carry out the bank's compliance function in order to support the establishment of a compliance culture (Hermawan & Novita, 2021). Companies that disclose their compliance efforts are likely to receive positive responses from the public and potential investors, leading to stronger market reactions. Findings from (Taufiq, 2023), (Habsyi et al., 2021), and (Handoko et al., 2020) confirm that compliance has a positive impact on company performance.

H_5: Compliance disclosure positively affects market reaction.

The impact of audit opinions will affect the stock market. The effect of market reactions can be marked by either a decline or, conversely, an increase in prices, with a significant direction. An unqualified audit opinion, without exceptions, will automatically lead to a significant increase in prices. As the price increase becomes more significant, it will likely cause returns to rise, resulting in abnormal returns. Therefore, it is explained that audit opinions are measured using abnormal returns (Supriati et al., 2021). Findings by (Novriansa & Rahmawati, 2019) explained that a going concern audit opinion has a direct impact on market reactions. Additionally, findings by (Ngaijan, 2017) also confirmed that audit opinions have an impact on market reactions.

H_6: Audit opinion strengthens the positive effect of environmental disclosure on market reaction.

H_7: Audit opinion strengthens the positive effect of social disclosure on market reaction.

H_8: Audit opinion strengthens the positive effect of governance disclosure on market reaction.

H_9: Audit opinion strengthens the positive effect of risk disclosure on market reaction.

H_{10}: Audit opinion strengthens the positive effect of compliance disclosure on market reaction.

Previous research has extensively discussed ESG disclosure, but few have linked it to market reactions. Many studies connect ESG with company value, including financial performance. However, there has been no research combining ESG disclosure with GRC to study market reactions. This study will provide an evaluation for companies to pay attention to sustainability through ESG and create governance based on risk management and compliance through the implementation of GRC. Additionally, the combination of non-financial aspects, including ESG and GRC, with financial aspects, such as audit opinions, will be an important point in enhancing market reactions.

Based on the background presented, the research problem can be formulated as whether ESG and GRC disclosure has a positive impact on market reactions, and whether audit opinions can moderate the influence of ESG and GRC disclosure on market reactions. Therefore, the purpose of this research is to analyze the impact of ESG and GRC disclosure on market reactions and to prove the moderation of audit opinions on the influence of ESG and GRC disclosures on market reactions in banking sector companies listed on the IDX during the period 2019-2023.

The novelty of this research lies in combining the concepts of ESG and GRC in influencing market reactions. Merging ESG and GRC is considered an important step in building a sustainable future business. Integrating ESG within the GRC framework helps businesses establish social and environmental responsibilities as integral parts of corporate governance. This enables businesses to identify, measure, and manage ESG risks effectively while complying with applicable regulations.

Moreover, this research collaborates compliance aspects by adding audit opinions as a moderator in the relationship between ESG and GRC disclosures and market reactions. By implementing effective ESG and GRC practices, supported by a positive audit opinion from auditors, the market will be able to respond more favorably to ESG and GRC disclosures.

METHOD

This study uses a quantitative associative approach, which explains the causal relationship between ESG and GRC variables on market reactions, with audit opinions as a moderator. The population of this study consists of all banking sector companies listed on the Indonesia Stock Exchange (IDX) during the period from 2019 to 2023, totaling 47 companies. In the sampling process, the researcher applied purposive sampling, resulting in 8 companies that met the sample criteria, with 5 years of observation. Thus, the final sample used in the study consists of 40 financial reports. The measurement of the research variables is presented in Table 1 below.

Table 1. Measurement of research variables

Variable	Measurement	Reference
Market reaction	$AR_{it} = R_{it} - E(R_{it})$ AR_{it} = Abnormal return of stock i in period t R_{it} = Actual return of return i in period t $E(R_{it})$ = Expected return of return i in period t	(Yulindasari & Riharjo, 2017)
Environmental Disclosure	$ED = \frac{\text{Amount of disclosure about environmental}}{\text{Total disclosure according to standars GRI 300}}$	(Ali et al., 2022)
Social Disclosure	$SD = \frac{\text{Amount of disclosure about social}}{\text{Total disclosure according to standars GRI 400}}$	(Ali et al., 2022)
Governance Disclosure	$GD = \frac{\text{Amount of disclosure about governance}}{\text{Total disclosure according to standars GRI 102}}$	(Ali et al., 2022)
Risk Disclosure	$RD = \frac{\text{Amount of disclosure about } \textit{risk}}{\text{Total disclosure according to standars ISO 31000}}$	(Ali et al., 2022)
Compliance Disclosure	$CD = \frac{\text{Amount of disclosure about } \textit{compliance}}{\text{Total disclosure according to standars ISO 37301}}$	(Ali et al., 2022)
Audit opinion	The measurement of audit opinion in this study uses a dummy variable, namely point 1 for an unqualified opinion and point 0 for an opinion other than unqualified	

RESULTS AND DISCUSSION

Before conducting the hypothesis testing stage, it is mandatory to first conduct the descriptive statistical test stage to analyze the data by describing the data that has been collected. The results of the descriptive statistical test are presented as follows.

Table 2. Descriptive statistical test results

	Obs	*Mean*	*Std. Dev*	*Min*	*Max*
Environmental Dislosure	40	0,311	0,205	0,032	0,903
Social Disclosure	40	0,393	0,178	0,086	0,886
Governance Disclosure	40	0,408	0,214	0,036	0,929
Risk Disclosure	40	0,468	0,233	0,091	0,818
Compliance Disclosure	40	0,468	0,190	0,100	0,800
Opini Audit	40	0,625	0,490	0,000	1,000
Reaksi Pasar	40	0,297	0,305	0,009	1,171

Source: Data is processed (2025)

Referring to Table 2, the final assessment shows that the average values produced by all variables are closer to the minimum value. This result automatically indicates that most of the companies operating in the banking sector listed on the IDX during the 2019–2023 period have been found to disclose environmental, social, governance, and compliance information at relatively low levels. Additionally, most of the companies in the banking sector listed on the IDX during the 2019–2023 period have been found to receive unqualified audit opinions. It is also explained that most of the companies operating in the banking sector listed on the IDX during the 2019–2023 period tend to have relatively low market reactions. Next, a model feasibility test was conducted using several tests, including the Chow test, Hausman test, and Lagrange multiplier test. The results of the model feasibility test are summarized in Table 3.

Table 3. Model feasibility test results

Test	Standards	Results	Selected model
Chow test	Prob Cross Section > 0,05 (CEM) Prob Cross Section < 0,05 (FEM)	Prob Cross Section 0,0368 < 0,05	Fixed Effect Model
Hausman test	Prob chi2 < 0,05 (FEM) Prob chi2 > 0,05 (REM)	Prob chi2 0,6332 > 0,05	Random Effect Model
Lagrange Multipier test	Prob chi2 < 0,05 (REM) Prob chi2 > 0,05 (CEM)	Prob chi2 0,1049 > 0,05	Common Efect Model

Source: Data is processed (2025)

Referring to the results of the mode feasibility test, it is known that the successfully selected model is the Common Effect Model (CEM). Furthermore, the results of conducting the Common Effect Model regression model test are successfully summarized in Table 4.

Table 4. Direct influence regression model

RP	Coef.	Std. Err	t	P>|t|	[95% Conf. Interval]	
ED	0,147	0,071	2,06	0,029	0,494	0,407
SD	0,194	0,094	2,07	0,027	0,836	0,972
GD	0,042	0,017	2,42	0,016	0,875	0,894
RD	0,062	0,024	2,54	0,013	0,119	0,869
CD	0,058	0,027	2,13	0,026	0,862	0,245
OA	0,006	0,106	0,06	0,951	0,222	0,208
cons	0,458	0,197	2,33	0,026	0,057	0,857

Source: Data is processed (2025)

$$RP = 0{,}458 + 0{,}147ED + 0{,}194SD + 0{,}042GD + 0{,}062RD + 0{,}058CD + 0{,}006OA + e \quad \ldots(1)$$

The coefficient value produced by the environmental disclosure variable is 0.147. This result provides evidence by explaining that for every one-unit increase in environmental disclosure, it automatically impacts the market reaction, causing it to improve by 14.7%, assuming the other variables remain constant. The test for hypothesis 1 successfully provided a probability value of 0.029 < 0.05. This result indicates that environmental disclosure has a positive and statistically significant impact on market reactions, leading to the conclusion that **Hypothesis 1 is accepted.**

The coefficient value produced by the social disclosure variable is 0.194. This result provides evidence by explaining that for every one-unit increase in social disclosure, it automatically impacts the market reaction, causing it to improve by 19.4%, assuming the other variables remain constant. The test for hypothesis 2 successfully provided a probability value of 0.027 < 0.05. This result indicates that social disclosure has a positive and statistically significant impact on market reactions, leading to the conclusion that **Hypothesis 2 is accepted.**

The coefficient value produced by the governance disclosure variable is 0.042. This result provides evidence by explaining that for every one-unit increase in governance disclosure, it automatically impacts the market reaction, causing it to improve by 4.2%, assuming the other variables remain constant. The test for hypothesis 3 successfully provided a probability value of 0.016 < 0.05. This result indicates that governance disclosure has a positive and statistically significant impact on market reactions, leading to the conclusion that **Hypothesis 3 is accepted.**

The coefficient value produced by the risk disclosure variable is 0.062. This result provides evidence by explaining that for every one-unit increase in risk disclosure, it automatically impacts the market reaction, causing it to improve by 6.2%, assuming the other variables remain constant. The test for hypothesis 4 successfully provided a probability value of 0.013 < 0.05. This result indicates that risk disclosure has a positive and statistically significant impact on market reactions, leading to the conclusion that **Hypothesis 4 is accepted.**

The coefficient value produced by the compliance disclosure variable is 0.058. This result provides evidence by explaining that for every one-unit increase in compliance disclosure, it automatically impacts the market reaction, causing it to improve by 5.8%, assuming the other variables remain constant. The test for hypothesis 5 successfully provided a probability value of 0.026 < 0.05. This result indicates that compliance disclosure has a positive and statistically significant impact on market reactions, leading to the conclusion that **Hypothesis 5 is accepted.**

The results of the regression model test, which were conducted after including the moderating variables, have been summarized in Table 5.

Table 5. Moderation regression model

RP	Coef.	Std. Err	t	P>|t|	[95% Conf. Interval]	
ED.OA	0,024	0,757	0,03	0,975	1,514	1,561
SD.OA	0,376	1,043	0,36	0,721	2,496	1,744
GD.OA	0,146	1,237	0,12	0,906	2,659	2,367
RD.OA	0,279	0,293	0,95	0,347	0,316	0,874
CD.OA	0,094	0,289	0,32	0,747	0,494	0,683
Cons	0,303	0,077	3,95	0,000	0,147	0,459

Source: Data is processed (2025)

RP = 0,303 + 0,024ED.OA + 0,376SD.OA + 0,146GD.OA + 0,279RD.OA + 0,094CD.OA + e … (2)

The coefficient value produced by the environmental disclosure variable, after including the audit opinion variable, is 0.024. This result provides evidence that for every increase in environmental disclosure by one unit, it automatically impacts market reaction, resulting in a 2.4% increase in market reaction, without direct mediation by the audit opinion, assuming other variables remain constant. The test resulted in a probability value of 0.975 > 0.05, which proves that the audit opinion did not succeed in moderating the relationship between environmental disclosure and market reaction, leading to the conclusion that **Hypothesis 6 is rejected.**

The coefficient value produced by the social disclosure variable, after including the audit opinion variable, is 0.376. This result provides evidence that for every increase in social disclosure by one unit, it automatically impacts market reaction, resulting in a 37.6% increase in market reaction, without direct mediation by the audit opinion, assuming other variables remain constant. The test resulted in a probability value of 0.721 > 0.05, which proves that the audit opinion did not succeed in moderating the relationship between social disclosure and market reaction, leading to the conclusion that **Hypothesis 7 is rejected.**

The coefficient value produced by the governance disclosure variable, after including the audit opinion variable, is 0.146. This result provides evidence that for every increase in governance disclosure by one unit, it automatically impacts market reaction, resulting in a 14.6% increase in market reaction, without direct mediation by the audit opinion, assuming other variables remain constant. The test resulted in a probability value of 0.906 > 0.05, which proves that the audit opinion did not succeed in moderating the relationship between governance disclosure and market reaction, leading to the conclusion that **Hypothesis 8 is rejected.**

The coefficient value produced by the risk disclosure variable, after including the audit opinion variable, is 0.279. This result provides evidence that for every increase in risk disclosure by one unit, it automatically impacts market reaction, resulting in a 27.9% increase in market reaction, without direct mediation by the audit opinion, assuming other variables remain constant. The test resulted in a probability value of 0.347 > 0.05, which proves that the audit opinion did not succeed in moderating the relationship between risk disclosure and market reaction, leading to the conclusion that **Hypothesis 9 is rejected.**

The coefficient value produced by the compliance disclosure variable, after including the audit opinion variable, is 0.094. This result provides evidence that for every increase in compliance disclosure by one unit, it automatically impacts market reaction, resulting in a 9.4% increase in market reaction, without direct mediation by the audit opinion, assuming other variables remain constant. The test resulted in a probability value of 0.747 > 0.05, which proves that the audit opinion did not succeed in moderating the relationship between compliance disclosure and market reaction, leading to the conclusion that **Hypothesis 10 is rejected.**

In summary, the research findings reveal that ESG disclosure, including GRC, has a positive and significant impact on market reaction. This result demonstrates that environmental disclosure can showcase the performance and image of a company that takes full responsibility for the surrounding environment. As a result, this can trigger and lead to an increase in the evaluation for deciding to invest in the company, as well as foster and even enhance public trust that the company has successfully carried out its operations in alignment with the rules or norms prevailing in the community.

When a company scores well in terms of environmental responsibility, it ultimately impacts the long-term sustainability of the company, improving its prospects for the future. In this regard, attention to all stakeholders, including the environment, must be considered a crucial aspect (Syafrullah & Muharam, 2017). A company with social responsibility will generally receive a better response from the public or investors, which in turn affects market reaction. In addition to environmental and social factors, governance disclosure is also an essential aspect to focus on due to its significant role in helping improve economic efficiency. It is also explained that good governance can greatly support the increase in company value, thus enhancing stock market reactions.

Companies are also expected to provide clear and complete risk disclosures to help create a more stable market and reduce excessive market reactions to uncertainties. The presence of risk management disclosures can reassure investors that the company has mitigated risks, thereby improving market reactions. Compliance disclosures refer to a company's actions to inform the public of their adherence to applicable regulations and standards.

Another finding indicates that audit opinion does not effectively strengthen the impact of ESG and GRC disclosures on market reactions. This is because the audit opinions in the banking institutions used as data samples in this study are predominantly the same, specifically Unqualified Opinion and thus do not play a role in reinforcing the relationship between environmental disclosure and market reactions. Audit opinion is explained with a ratio where WTP is given a score of 1, while anything other than WTP is given a score of 0. The results of the descriptive statistical analysis show that the audit opinions of the banking companies that are part of this sample research tend to be positive, with WTP being the dominant opinion.

Audit opinion tends to focus more on financial disclosures rather than non-financial ones. Audit opinion, as per audit standards, is primarily concerned with the reliability of financial statements and compliance with applicable accounting standards such as PSAK or IFRS, whereas environmental disclosures are more related to non-financial factors that are harder to measure and include in financial reports. Therefore, the standardized audit format and standards generally do not directly address or assess environmental disclosures. This is why audit opinion does not provide a direct push towards market reactions regarding environmental issues.

Standardized audit frameworks typically focus on figures and data that can be objectively verified. Meanwhile, environmental issues often involve more qualitative aspects, which is why many ESG-related pieces of information have not been measured in a structured or uniform way that would be suitable for analysis within the context of standardized audits. In the framework of an audit opinion, the presentation order is regulated, and auditors are not allowed to present anything that does not comply with audit standards, as doing so would be considered a violation of the standards, which auditors are prohibited from committing.

CONCLUSION

This research provides empirical evidence regarding the influence of ESG and GRC disclosures in enhancing market reactions for banking sector companies listed on the IDX from 2019 to 2023. Audit opinion does not strengthen the impact of ESG and GRC disclosures on market reactions. The results of this study imply that company management should pay attention to non-financial aspects, such as adequate ESG sustainability disclosures and GRC governance, in order to improve stock market prices. This study is limited to examining the relationship between ESG and GRC disclosures and market reactions with audit opinion moderation, so the findings cannot be generalized to other research models. The study was also conducted only on 8 banking companies listed on the IDX from 2019 to 2023, so it cannot be generalized to other sectors or periods. The measurement of the audit opinion moderation variable uses a scale of 0 and 1. The companies used as data samples in this research tend to have opinions of WTP, resulting in a uniform scale of 1 for each sample. This impacts the finding that audit opinion does not moderate the effect of ESG and GRC disclosures on market reactions. Therefore, future research is expected to develop this study further by exploring other companies or periods.

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