ABSTRACT

This research aims to analyze the influence of environmental performance, social performance, and governance performance (environmental, social, and governance/ESG) to financial performance and CEO power as a moderating variable. Financial performance is proxied by Return On Assets and CEO power is proxied by CEO Tenure.

The population used in this research is manufacturing companies listed on Indonesia Stock Exchange in the period of 2015-2019. The sampling technique used is purposive sampling so that the samples obtained were 13 manufacturing companies whose annual reports were published on idx.co.id and disclosed the environmental, social, and governance scores on Bloomberg. The analytical method used in this study is panel data regression and moderated regression analysis (MRA) with E-views 9 program.

The results of this research show that social performance, governance performance, and ESG performance have a positive and significant effect on financial performance, while, environmental performace has a negative and insignificant effect on financial performace. As well as, The CEO power is not able to moderate the effect of environmental performance, social performance, governance performance, and ESG performance on financial performance.

Keywords: Environmental Performance, Social Performance, Governance Performance, ESG Performance, Financial Performance, CEO Power.