ABSTRACT

Nowadays, in carrying out its business activities, companies are required not to always prioritize company profits, but also to see the impact arising from the course of the company's operational activities. By focusing on the environmental, social, and corporate governance aspects, one attempt is made to overcome it. This study has the objective of analyzing the effect of Environmental, Social, and Governance (ESG) disclosures on the company's financial performance. Disclosure of the ESG score can be measured through its three components, including environmental (EVN), social (SOC), and corporate governance (CG) components as well as the overall measurement through the ESG Disclosure Score (ESG). Quantifying the company's financial performance is done by proxy Return on Assets (RoA). The study used control variables, including Asset Turnover (AT) and Asset Growth (AG).

The sample used in this study is manufacturing companies in Indonesia, namely a total of 26 manufacturing companies that have disclosed Environmental, Social, and Governance scores in 2016 – 2021 using the purposive sampling method with secondary data obtained from the Bloomberg terminal. This study uses multiple linear regression analysis of panel data and uses IBM SPSS Statistics 25 software.

The findings from this study illustrate that, the variable components of ESG, Environmental Disclosure, Social Disclosure, and Corporate Governance Disclosure each have a positive influence on the company's financial performance.

Keywords: *Corporate Financial Performance, ESG Score, Environmental Score, Social Score, Corporate Governance Score, Return on Assets.*