ABSTRACT

This study aims to investigate the effect of Environmental, Social, and Governance (ESG) disclosure on firm performance. Given the inconsistent findings in previous research regarding the relationship between ESG disclosure and firm performance, this study seeks to further examine these inconsistencies by incorporating financial slack as a moderating variable.

Data for this study were obtained from Bloomberg database, covering non-financial companies listed on the Indonesia Stock Exchange between 2019-2022. Sampling was conducted using purposive sampling method, resulting in a total of 258 observations. This study employs the use of Moderated Regression Analysis (MRA) using SPSS 26 software for carrying out the empirical analysis.

The results demonstrate that ESG disclosures have a significant positive effect on firm performance. Financial slack has an insignificant positive impact on firm performance. Meanwhile, financial slack as a moderating variable is able to weaken the positive effect of ESG disclosures on firm performance.

Keywords: *ESG disclosure, firm performance, financial slack*