ABSTRACT

This study aims to examine the effect of non-financial information disclosure, namely environmental, social, and governance (ESG) disclosure on the company's financial performance. This study was also conducted to examine whether the Audit Committee strengthens the influence of environmental, social, and governance (ESG) disclosure on financial performance, whose research results have not been consistent.

Financial performance proxied by return on assets (ROA) is the dependent variable in this study. The independent variable in this study is environmental, social, and governance (ESG) disclosure, which is measured using the ESG disclosure score published by Bloomberg Terminal. This study uses the Audit Committee, measured by the number of Audit Committee meetings, as a moderating variable. Company size and financial leverage are added to this research model as control variables. The population of this study are all manufacturing companies listed on the Indonesia Stock Exchange from 2020 to 2022. The study sample selection was carried out using the purposive sampling method and the number of final samples used in this study amounted to 102 data. This study is a quantitative study and the data was processed using moderated regression analysis (MRA).

The results show that environmental, social, and governance (ESG) disclosure does not affect financial performance. In addition, the Audit Committee is unable to strengthen the effect of environmental, social, and governance (ESG) disclosure on the company's financial performance.

Keyword: Environmental, Social, and Governance (ESG) Disclosure, Financial Performance, Audit Committee