ABSTRACT

This study aims to examine the effect of Environmental (ENV) disclosure, Social (CSR) disclosure, and Corporate Governance (CG) on the financial performance of companies in the Non-Financial sector listed on the Indonesia Stock Exchange LQ45 Index during the period 2021 to 2023. The purposive sampling method was used to determine the research sample for three years, and resulted in 59 research samples. The hypothesis proposed in this study was tested through quantitative techniques using multiple linear regression. The secondary data used in this study were obtained from the Bloomberg database and the annual reports of related companies. The results showed that Environmental (ENV) disclosure has a positive effect on financial performance. In line with these findings, Corporate Governance (CG) proxied through the Independent Board of Commissioners and the Frequency of Audit Committee Meetings also shows a positive influence on financial performance. In contrast, Social disclosure (CSR) and other Corporate Governance (CG) variables proxied by Audit Committee Size show an insignificant influence on financial performance. This study shows that good environmental disclosure and corporate governance (proxied by independent board of commissioners and frequency of audit committee meetings) can improve the company's financial performance. This study contributes to the literature on ESG disclosure and corporate governance, and has practical implications for corporate management in developing sustainable strategies to improve corporate financial performance.

Keywords: environmental disclosure, social disclosure, corporate governance, corporate financial performance