

ABSTRACT

This study aims to analyze the effect of Environmental, Social, and Governance (ESG) and Intellectual Capital (IC) disclosure on the financial performance of manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2021-2023 period. ESG and IC are important factors in creating competitive advantage and increasing company profitability.

The research method used is quantitative with a purposive sampling technique. Data were obtained from annual reports and company financial reports with independent variables including ESG Disclosure (ESGD), Intellectual Capital Disclosure (ICD), and Value Added Intellectual Coefficient (VAIC™) components, namely Human Capital Efficiency (HCE), Structural Capital Efficiency (SCE), and Capital Employed Efficiency (CEE). Financial performance is proxied by Return On Asset (ROA) and analyzed using multiple linear regression.

The results of the study show that ESGD and ICD have a positive and significant effect on ROA, indicating that disclosure of ESG and intellectual capital information contributes to improving the company's financial performance. SCE and CEE also show a positive and significant effect on ROA, which means that efficiency in managing structural capital and working capital can increase company profitability. On the contrary, HCE has a negative and insignificant relationship to ROA, indicating that investment in human capital has not fully provided an optimal impact on financial performance.

Keywords: Environmental, Social, and Governance (ESG) Disclosure, Intellectual Capital Disclosure, Human Capital Efficiency (HCE), Structural Capital Efficiency (SCE), and Capital Employed Efficiency (CEE).