

ABSTRACT

The purpose of this study is to analyze the impact of environmental, social, and governance (ESG) reporting on profitability and company value. ESG is one of the factors that investors and stakeholders are increasingly paying attention to in assessing company performance, especially in the context of sustainability. The independent variables used in this study are environmental, social, governance. Meanwhile, the dependent variables in this study are profitability and company value.

The population used in this study is companies listed in the LQ45 Index. This research was conducted using the purposive sampling method, with 168 samples used being companies that publish annual reports and publish ESG scores in the 2021-2023 period. The research method applied is a quantitative method with a multiple linear regression analysis approach using the SPSS For Windows Version 26.0 application to analyze the environmental, social, and governance (ESG) score on the company's profitability and value.

The results of this study show that environmental score and social score have a positive and significant influence on profitability, while governance score has no effect on profitability. In addition, this study found that profitability has a positive and significant effect on company value. Thus, the findings of this study can contribute to increasing the literature on the impact of ESG reporting on the profitability of companies in developing countries.

Keywords: Environmental score, social score, corporate governance score, ESG reporting, corporate sustainability, Company profitability, Company Value.