

ABSTRACT

This study aims to analyze the effect of Environmental, Social, and Governance (ESG) disclosures, company size, and earnings quality on the financial performance of manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the period 2021-2023. ESG disclosures, company size, and earnings quality are crucial factors in creating competitive advantages and enhancing corporate profitability.

The research uses a quantitative method with purposive sampling. Data were obtained from annual reports and financial statements of companies, with independent variables including Environmental disclosure (ED), Social Disclosure (SD), Government Disclosure (GD), Company Size (FSIZE), and Earnings Quality (EQ). Financial performance is measured using Return on Assets (ROA) and analyzed using multiple linear regression.

The results show that Environmental disclosure (ED) and Social Disclosure (SD) have a significant positive effect on Return on Assets (ROA), indicating that the disclosure of environmental and social information contributes to the improvement of the company's financial performance. Government Disclosure (GD) also shows a significant positive effect on ROA, meaning that the disclosure of government-related information can enhance the company's profitability. On the other hand, Company Size (FSIZE) has a significant negative relationship with ROA, indicating that larger companies tend to have lower financial performance in this study. Earnings Quality (EQ) does not show a significant effect on ROA, suggesting that earnings quality has not yet provided a significant impact on the company's financial performance.

Keywords: Environmental disclosure (ED), Social Disclosure (SD), Government Disclosure (GD), Company Size (FSIZE), Earnings Quality (EQ), Return on Asset (ROA)