

ABSTRACT

This study aims to examine and analyze the effect of each aspect of Environmental, Social, and Governance (ESG) Disclosure, and Good Corporate Governance proxied by institutional ownership and independent commissioners, on financial performance of manufacturing companies listed on the Indonesia Stock Exchange during 2021–2023. ESG Disclosure and GCG are important factors in increasing company financial performance.

This research was conducted using quantitative method with purposive sampling, which produced 135 samples. Data were obtained from annual reports, financial statements, and Bloomberg Terminal. The analysis was conducted using multiple linear regression.

The findings reveal that Governance Disclosure and institutional ownership have a positive and significant effect on financial performance, as proxied by Return on Assets (ROA), indicating that Governance Disclosure and institutional ownership contribute to improving company financial performance. Meanwhile, Environmental Disclosure, Social Disclosure, and independent commissioners show a positive but insignificant effect on financial performance, suggesting that these variables have not yet been able to make a substantial contribution to enhancing company financial performance.

Keywords: Environmental, Social, and Governance Disclosure, Good Corporate Governance, Institutional Ownership, Independent Board of Commissioners, Financial Performance.