ABSTRACT

This research aims to analyze the impact of Environmental, Social, and Governance (ESG) disclosure and profitability on stock performance among companies listed in the ESG QUALITY 45 IDX KEHATI Index for the period 2021–2024. Stock performance is measured using stock returns, ESG disclosure is measured through a combined ESG score, while profitability is measured using Earnings per Share (EPS). This study also uses control variables in the form of Price to Book Value (PBV), Firm Size, Return on Assets (ROA), and Debt to Equity Ratio (DER).

The research used a quantitative approach using secondary data obtained from company annual reports, the Indonesia Stock Exchange (IDX), and the Bloomberg database, with a total sample of 20 companies. The analysis method used is multiple linear regression.

The results of the study indicate that ESG disclosure has a negative and insignificant effect on stock returns. Meanwhile, profitability has a significant negative effect on stock returns. These results suggest that an increase in ESG scores and earning per share has not yet been able to increase a company's stock returns.

Keywords: ESG disclosure, profitability, stock performance, ESGQKEHATI.