

## **ABSTRACT**

*This study analyzes the effect of ESG disclosure and ESG performance on unsystematic risk (idiosyncratic risk) among non-financial companies in Indonesia during the 2020–2024 period. Unsystematic risk is measured using Idiosyncratic Volatility (IVOL), calculated as the standard deviation of residuals from the Fama-French Three-Factor Model (FF-3). ESG is measured through two components, ESG disclosure and ESG performance, represented respectively by the Bloomberg ESG Disclosure Score and Bloomberg ESG Performance Score.*

*Hypotheses are tested using two separate regression models based on the Fixed Effects Model (FEM) with clustered standard errors. The sample consists of 65 non-financial companies listed on the Indonesia Stock Exchange (IDX) during 2020–2024, selected through purposive sampling. The data used are secondary data, processed using panel data regression analysis in Stata 17.*

*The results show that ESG disclosure and ESG performance have no significant effect on IVOL, leading to the rejection of both hypotheses. Firm size has a consistently significant negative effect, leverage has a significant positive effect in Model 2, while profitability shows no significant effect. These findings suggest that ESG activities have not yet become a strong determinant of firm-specific risk in the Indonesian capital market during this period.*

**Keywords:** *ESG disclosure, ESG performance, idiosyncratic volatility, Fixed Effects Model, Indonesia Stock Exchange*

