ABSTRACT

The purpose of this study is to analyse how ESG Disclosure affects the profitability of firms listed on the Indonesia Stock Exchange (IDX). Return on Assets (ROA) serves as the proxy for profitability. So that the research model becomes more robust, leverage and firm size are included as control variables.

Firms listed on the Indonesia Stock Exchange throughout the 2019–2023 period constitute the population of this study. Through a purposive sampling technique guided by predetermined criteria, sixty companies were secured as the research sample. The data that had been gathered were subsequently analysed by means of panel data regression.

According to the findings, ESG Disclosure bears a positive and statistically significant relationship with ROA. The same positive and statistically significant pattern emerges between Environmental Disclosure and ROA, and Social Disclosure follows suit. Governance Disclosure, for its part, exerts a positive influence upon ROA, even though not significant to ROA.

Keywords : ESG Disclosure, Environmental Disclosure, Social Disclosure, Governance Disclosure, Profitability, Return On Assets.