ABSTRACT

This study aims to examine the impact of ESG performance and firm size on financial performance, proxied by Return on Assets (ROA), and to evaluate the moderating role of institutional ownership in these relationships. The population comprises companies listed on the Indonesia Stock Exchange LQ45 Index during the 2022–2024 period, with the sample selected through purposive sampling based on predetermined criteria. Utilizing a quantitative approach, the study analyzed panel data using panel data regression and Moderated Regression Analysis (MRA) via EViews 13. The findings indicate that ESG performance has a positive and significant effect on financial performance, whereas firm size has a significant negative effect. Meanwhile, institutional ownership does not moderate the effects of either ESG performance or firm size on ROA.

Keywords: ESG Performance, Firm Size, Financial Performance, Institutional Ownership, LQ45 Index