ABSTRACT

This study aims to analyze the effect of Environmental Social and Governance Disclosure on company profitability. ESG disclosure is measured through three dimensions, namely environmental (Env_disc), social (Soc_disc), and corporate governance (Gov_disc) dimensions and then its overall scope is also measured through the ESG Disclosure Score (ESG). Meanwhile, the company's profitability is proxied through Return on Assets (ROA). In addition, in this study there are also several control variables, including Firm Leverage (FL) and Asset Turnover (AT).

The sample used in this study is a public non-financial company registered in ASEAN-5 countries with a total of 135 companies in the 2017-2019 period with purposive sampling using secondary data obtained from Bloomberg. The analysis in this study uses Multiple Linear Regression Analysis and data processing using IBM SPSS Statistics 25 software.

The results of this study indicate that Environmental Social Governance Disclosure (ESG) affects the company's profitability positively and significantly to the company's profitability. Meanwhile, the results of hypothesis testing also show that Governance Disclosure (Gov_disc) is another independent variable that has a positive and significant effect on company profitability. Other independent variables such as Environmental Disclosure (Env_disc) do not have an effect on company profitability while Social Disclosure (Soc_disc) do not have an effect on company profitability. So it can be concluded that disclosure that covers the three aspects, namely environmental, social, and corporate governance can have a positive and significant impact on company profitability when the disclosure is carried out together and covers all these aspects.

***Keywords**: Corporate Profitability, ESG Disclosure, Environmental Disclosure, Social Disclosure, Governance Disclosure, ROA.*