

ABSTRACT

This study is motivated by the increasing demand for sustainability implementation, the complexity of corporate financial management, and the inconsistency of previous research findings regarding the effect of ESG Disclosure, Working Capital Management, and Leverage on Corporate Financial Performance. This study aims to analyze the effect of ESG Disclosure, Working Capital Management, and Leverage on Corporate Financial Performance with Financial Slack as a moderating variable in non-financial companies in Indonesia during the 2020–2024 period. Corporate Financial Performance in this study is proxied by Return on Assets (ROA).

The population of this study consists of non-financial companies listed on the Indonesia Stock Exchange during 2020–2024. The sampling technique used purposive sampling, resulting in 132 companies with a total of 660 observations. The analysis method employed panel data regression using EViews 13 software. The best model selection was conducted through the Chow test, Hausman test, and Lagrange Multiplier test. In addition, this study applied Moderated Regression Analysis (MRA) to examine the moderating role of Financial Slack.

The results indicate that ESG Disclosure and Working Capital Management have a positive and significant effect on Corporate Financial Performance. Leverage has no significant effect on Corporate Financial Performance. Financial Slack is unable to moderate the effect of ESG Disclosure, Working Capital Management, and Leverage on Corporate Financial Performance.

This study implies that companies need to improve the quality of ESG disclosure and manage working capital efficiently to enhance corporate profitability. In addition, companies need to maintain effective financial and operational management to support sustainable corporate performance improvement.

Keywords: ESG Disclosure, Working Capital Management, Leverage, Financial Slack, Corporate Financial Performance, Return on Assets.