

## **ABSTRACT**

*This study aims to examine the effect of ESG disclosure on earnings management, with financial distress and external assurance as moderating variables. Although ESG disclosure is expected to promote transparency and constrain earnings management practices, prior studies on this relationship have yielded inconsistent findings. Furthermore, empirical evidence on how financial distress moderates the effect of ESG disclosure on earnings management remains inconclusive, while studies examining the role of external assurance in this context are still relatively limited.*

*This study employs a quantitative approach using panel data from 59 non-financial companies listed on the Indonesia Stock Exchange (IDX) during the 2023–2024 period, resulting in 116 observations selected through purposive sampling. Hypothesis testing was conducted using moderated regression analysis (MRA).*

*The results show that ESG disclosure has a significant negative effect on earnings management, indicating that the higher a company's level of ESG disclosure, the lower the indication of earnings management practices. However, financial distress is not proven to moderate the relationship between ESG disclosure and earnings management. Similarly, external assurance is not proven to moderate the relationship between ESG disclosure and earnings management.*

**Keywords:** *ESG disclosure, earnings management, financial distress, external assurance*

