ABSTRACT

This study analyzes the effect of ESG Disclosure Score, Environmental Disclosure Score, Social Disclosure Score, Governance Disclosure Score, and Effective Tax Rate on profitability-based financial performance, proxied by Return on Assets (ROA) and Return on Equity (ROE). It also examines the moderating role of Effective Tax Rate in the relationship between ESG Disclosure Score and profitability-based financial performance. The study focuses on non-financial companies listed on the Indonesia Stock Exchange during 2020–2024.

The sample was selected using purposive sampling. Panel data regression was employed using Common Effect, Fixed Effect, and Random Effect Models. The best model was selected through the Chow test, Hausman test, and Lagrange Multiplier test. Robust standard error was applied to address heteroscedasticity in several regression models.

The results show that ESG Disclosure Score has no significant effect on ROA and ROE. Environmental Disclosure Score has no significant effect on ROA but has a positive and significant effect on ROE. Social Disclosure Score and Governance Disclosure Score have no significant effect on ROA and ROE. Effective Tax Rate is positively and significantly associated with ROA and ROE. The moderation results show that Effective Tax Rate significantly weakens the effect of ESG Disclosure Score on ROA and ROE. Additional analysis indicates that ESG Disclosure provides stronger financial benefits when companies have sufficient after-tax income space and fiscal flexibility.

Key words : *ESG Disclosure Score, Effective Tax Rate, Return on Assets, Return on Equity, profitability, financial performance, panel data regression.*