ABSTRACT

This research aims to test the effect of environmental, social, governance (ESG) disclosure on firm performance in companies listed on Indonesia Stock Exchange during the 2020-2023 period using audit committee size as the moderating variable. A quantitative approach was applied, using panel data regression method and secondary data from company's annual report and ESG disclosure report. ESG variable was measured using Sustainability Reporting Disclosure Index (SRDI), while firm performance was measured using net income.

The result of this research shows that ESG disclosure has a positive influence on firm performance during 2020-2023, indicating that, even when Indonesia experiencing crises, companies that disclose their ESG report transparently are able to achieve stronger performance. Moreover, the result suggests that audit committee size strengthens the relationship between ESG disclosure and firm performance. Therefore, audit committee size plays a major part in strengthening the corporate governance system that encourages a positive correlation between ESG disclosure and firm performance.

Keywords: ESG Disclosure, Firm Performance, Audit Committee Size