

ABSTRACT

In recent years, many companies in various countries have integrated Corporate Social Responsibility (CSR) practices into their strategies. Indonesia is one of the countries that regulates CSR practices through laws on the regulatory practice of social and environmental responsibility. In addition, the Indonesia Stock Exchange (IDX), as the main capital market in Indonesia, promotes responsible and sustainable investment principles through the launch of the Sustainable and Responsible Investment Index (SRI-KEHATI), which was developed in collaboration with Foundation Keanekaragaman Hayati Indonesia (KEHATI). CSR is related to business performance because there are costs incurred to carry out these activities. Company performance can be measured from the financial side, one of which is Return on Asset (ROA). The purpose of this study is to determine the relationship between CSR and ROA with company risk and company size as control variables. This study uses a quantitative approach using panel data analysis techniques. The research sample consists of nine companies listed on the SRI-KEHATI Index, Indonesia Stock Exchange (IDX) during the period 2019 to 2023. The results of this study indicate an insignificant relationship between CSR and financial performance in the 2019-2023 period.

Keywords: Corporate Social Responsibility (CSR), Corporate Financial Performance, Risk, Firm Size.