

ABSTRACT

The trend of renewable energy use globally, including in Indonesia, has had a significant impact on the energy sector, especially companies engaged in the coal, oil, and gas industries. Declining demand for fossil fuels, fluctuating commodity prices, and increasingly stringent environmental regulations have the potential to affect company performance, as measured by Return on Assets (ROA). In facing these challenges, leverage and Environmental, Social, and Governance (ESG) disclosure are factors that can affect company performance. Leverage can increase financial risk, while ESG disclosure plays a role in attracting investors, building stakeholder trust, and creating a company's sustainability strategy.

This study aims to analyze the effect of leverage and ESG disclosure on the performance of energy sector companies listed on the Indonesia Stock Exchange (IDX) for the 2021-2023 period. The research method used is panel data regression with a quantitative approach. The research sample was selected using a purposive sampling method based on certain criteria.

The results of the study show that leverage and ESG disclosure simultaneously affect company performance (ROA). While partially leverage has a negative effect on company performance (ROA), ESG disclosure partially does not affect company performance (ROA).

Keywords: *Leverage, Environmental, Social, and Governance (ESG), and Company Performance*