

The Effect of ESG Scores on Profitability in Energy Companies with Leverage as a Mediator

By Zahwa Syafira

ABSTRACT

The energy sector is one of the strategic sectors in Indonesia that makes a significant contribution to the national economy, while also facing substantial pressure related to environmental, social, and corporate governance issues. As there is increasing attention to Environmental, Social, and Governance (ESG) practices, energy sector companies are required to integrate sustainability principles into their business activities in order to improve performance and manage risk. This study aims to analyze the effect of ESG scores on company profitability and to examine the role of leverage as a mediating variable in the relationship between ESG and profitability. The sample consisted of six energy sector companies based on TRBC classification and selected through purposive sampling. In this study, profitability was measured using Return on Assets (ROA), while leverage was measured using Debt to Equity Ratio (DER), and ESG was measured using ESG pillar scores from Refinitiv. The results show that the environmental score has a positive and significant effect on profitability, while the social score and governance score have no significant effect. In addition, leverage is not proven to mediate the relationship between ESG performance and profitability. These findings indicate that the implementation of ESG in the energy sector, particularly in environmental aspects, has a direct impact on the profitability of energy sector companies and its implementation does not depend on debt.

Keywords: ESG Score, Profitability, Leverage, Energy Sector, Refinitiv.

Pengaruh ESG Score Terhadap Profitabilitas Perusahaan Di Sektor Energi Dengan *Leverage* Sebagai Mediasi

Oleh: Zahwa Syafira

ABSTRAK

Sektor energi merupakan salah satu sektor strategis di Indonesia yang memiliki kontribusi besar terhadap perekonomian, namun juga menghadapi tekanan tinggi terkait dampak lingkungan, sosial, dan tata kelola perusahaan. Seiring meningkatnya perhatian terhadap praktik *Environmental, Social, and Governance* (ESG), perusahaan sektor energi dituntut untuk mengintegrasikan prinsip keberlanjutan dalam aktivitas bisnisnya guna meningkatkan kinerja dan mengelola risiko. Penelitian ini bertujuan untuk menganalisis pengaruh ESG score terhadap profitabilitas perusahaan serta menguji peran leverage sebagai variabel mediasi dalam hubungan antara ESG dan profitabilitas. Sampel penelitian terdiri dari enam perusahaan sektor energi berdasarkan klasifikasi TRBC dan dipilih melalui *purposive sampling*. Dalam penelitian ini, profitabilitas diukur menggunakan *Return on Assets* (ROA), sementara leverage diukur menggunakan *Debt to Equity Ratio* (DER), dan ESG diukur menggunakan ESG *pillar score* dari Refinitiv. Hasil penelitian menunjukkan bahwa *environmental score* berpengaruh positif dan signifikan terhadap profitabilitas, sedangkan *social score* dan *governance score* tidak berpengaruh signifikan. Selain itu, *leverage* tidak terbukti memediasi hubungan antara kinerja ESG dan profitabilitas. Temuan ini mengindikasikan bahwa penerapan ESG pada sektor energi, khususnya pada aspek lingkungan, memberikan dampak langsung terhadap profitabilitas perusahaan sektor energi dan tidak bergantung pada utang.

Kata Kunci: Skor ESG, Profitabilitas, *Leverage*, Sektor Energi, Refinitiv.