ABSTRACT

Global warming issues have made various international organizations aware of environmental problems. In line with this, this study aims to analyze Environmental, Social, and Governance (ESG) factors in non-financial companies in Indonesia and Malaysia. These factors consist of profitability, leverage, human resource slack, cost leadership and audit committees. Using sampling criteria, the research sampel consist of 95 non-financial companies listed on the Indonesia Stock Exchange from 2021 to 2023, with a total of 285 observations. The data was analyzed using E-Views 12 software. The results for both countries indicate that profitability has a positive effect, while human resource slack has negative effect. The result for Indonesia indicate that leverage and audit commitee have a positive effect, while profitability has a negative effect. Meanwhile, the result for Malaysia show that audit committee have a positive effect and human resource slack has a negative effect. These findings provide insights for non-financial companies in Indonesia and Malaysia that can serve as considerations for investors when evaluating investments in these companies in both countries.

Keywords: *Profitability, Leverage, Human Resource Slack, Cost Leadership, Komite Audit, Environmental, Social, And Governance (ESG).*