

**THE EFFECT OF ENVIRONMENT, SOCIAL, GOVERNANCE
PERFORMANCE AND SHARI'AH COMPLIANCE TOWARDS THE COST OF
CAPITAL OF COMPANY LISTED ON INDONESIA STOCK EXCHANGE (IDX)**

THESIS

Submitted as one of the requirements to achieve a bachelor's degree in the S1 Study Program, Department of Management, Faculty of Economics and Business, Andalas University



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The Effect of Environment, Social, Governance Performance and Shari'ah Compliance Towards the Cost of Capital of Company Listed on Indonesia Stock Exchange (IDX)

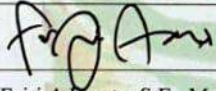
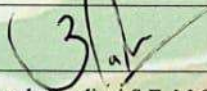

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ABSTRAK

This study aims to test and finding out the influence of Environmental, Social, Governance (ESG) performance and shari'ah compliant stock on the Cost of Capital. The object of study is companies listed on the Indonesia Stock Exchange (IDX) in 2015-2019. The sample companies were 30 companies selected based on the *purposive sampling* method. Hypothesis testing was performed using panel data regression analysis with the STATA 14.2 program. The results showed that the environmental pillar score (ENV) and governance pillar score (SOC) had a negative and significant effect on the Weighted Average Cost of Capital (WACC). For the social pillar score (GOV) and shari'ah compliant stock (SCS) variables, the positive and insignificant effect on WACC of company listed on Indonesia Stock Exchange (IDX)

Keywords : ESG Perfomance, IDX, WACC, ENV, SOC, GOV, and SCS

This thesis is already examined and passed on December 5th, 2022. This abstract already approved by supervisor and examiners:

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