



**ACCOUNTING DEPARTMENT
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THESIS

**COMPANY FINANCIAL PROFILE AND SENSITIVE INDUSTRIES TO
(ENVIRONMENT SOCIAL GOVERNANCE) ESG PERFORMANCE**

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ABSTRACT

The objective of this study is to determine the effect of company risk proxied by systematic risk, profitability proxied by Return on Asset (ROA), company profile proxied by Free Cash Flow (FCF), and Sensitive industry and its elements on Environmental, Social, and Governance (ESG) performance performance. The sampling technique used is simple random sampling with specific criteria set by author. The sample are 37 non-financial companies which consistently listed in IDX during 2018-2022. The data analyzed using multiple linear regression with SPSS 26 software. The study found that Systematic risk has no significant effect on overall ESG, social, and governance performance. Meanwhile, systematic risk has a significant effect on environmental performance. Return on asset has no significant effect on overall ESG, social, and governance performance. Meanwhile, ROA has a significant effect on environmental performance. Free cash flow has significant effect on overall ESG, environmental, and social performance. Meanwhile, FCF has no significant effect on governance performance. Sensitive industry has significant effect on overall ESG and the pillars.

Keywords: *Systematic risk; Return on Asset (ROA); Free Cash Flow (FCF); Sensitive industry; Environmental, Social, and Governance (ESG) performance*

