



**DEPARTEMENT OF ACCOUNTING
FACULTY OF ECONOMICS AND BUSINESS
ANDALAS UNIVERSITY**

THESIS

**THE EFFECT OF ENTERPRISE RISK MANAGEMENT (ERM),
ENVIRONMENT, SOCIAL, AND GOVERNANCE (ESG) AND FREE
CASH FLOW (FCF) ON FIRM PERFORMANCE
(Companies Listed on The Indonesia Stock Exchange (IDX) in 2020-2023)**

By:

YASMIN ANANTA FURQAN

2110531020


Thesis Advisor:

Suherнита, S.E., M.For.Accy. Ak., CA

***Submitted to fulfill the requirements to obtain a Bachelor's Degree
in Accounting***

Padang

2025

	Alumna's University Number:	YASMIN ANANTA FURQAN	Alumna's Faculty Number:
	BIODATA a) Place/Date of Birth: Padang, June 14 th , 2003 b) Parent's Name: Furqan and Weddia c) Faculty: Economics and Business d) Major: International Accounting e) ID Number: 2110531020 f) Graduation Date: May 19 th , 2025 g) Grade: Cum Laude h) GPA: 3.54 i) Length of Study: 3 years and 9 months. j) Parent's Address: Komplek Permata Berlian Blok D/27 Sungai Sapih, Kota Padang		

**THE EFFECT OF ENTERPRISE RISK MANAGEMENT (ERM),
ENVIRONMENT, SOCIAL, AND GOVERNANCE (ESG) AND FREE CASH
FLOW (FCF) ON FIRM PERFORMANCE**

Thesis by: Yasmin Ananta Furqan

Thesis Advisor: Suhernita, S.E., M.For.Accy. Ak., CA

ABSTRACT

The purpose of this study is to look at how business performance is affected by Enterprise Risk Management (ERM), Environmental, Social, and Governance (ESG), and Free Cash Flow (FCF). Using purposive sampling, 43 non-financial companies were selected for this study from a population of companies listed on the Indonesia Stock Exchange (IDX) between 2020 and 2023. Return on Equity (ROE), which measures the company's financial success, and Tobin's q, which measures its market performance, combine to generate the company's overall performance. The study's findings show that financial performance as measured by ROE is significantly impacted by ERM, ESG, and FCF. Although ERM and FCF have no discernible effect on market performance, ESG also significantly improves it as measured by Tobin's q. The only control variable that has a substantial impact on this study is firm size.

Keywords: ERM, ESG, Free Cash Flow, Firm Performance, ROE, Tobin's q

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