

TABLE OF CONTENTS

TITLE.....	i
PREFACE.....	ii
TABLE OF CONTENTS	iv
LIST OF TABLES	vii
LIST OF APPENDIXES	viii
ABSTRACT	ix
INTISARI	x
CHAPTER I. INTRODUCTION.....	1
1.1 Background	1
1.2 Problem Statement	6
1.3 Research Questions	6
1.4 Research Objectives	6
1.5 Research Contribution	7
1.6 Research Scope	7
CHAPTER II. LITERATURE REVIEW	9
2.1 Basic Concept of Environmental, Social, and Governance (ESG)	9
2.2 Theoretical Basis	11
2.2.1 Stakeholder Theory	11
2.2.2 Signaling Theory	12
2.3 Firm Performance	14
2.3.1 Firm's Market-based Performance	14
2.3.2 Firm's Accounting-based Performance	15
2.4 Prior Studies	16
2.5 Hypotheses	20
2.5.1 The Impact of Environmental on Firm Performance	20
2.5.2 The Impact of Social on Firm Performance	21
2.5.3 The Impact of Governance on Firm Performance	22



2.6 Research Framework	23
CHAPTER III. RESEARCH METHODS.....	26
3.1 Data and Sample.....	26
3.2 Operational Definition of Research Variables	28
3.2.1 Dependent Variable	29
3.2.2 Independent Variable	30
3.2.3 Control Variable	31
3.3 Data Analysis Method	33
CHAPTER IV. FINDINGS AND DISCUSSION	36
4.1 Descriptive Statistics	36
4.2 Classic Assumption Test.....	39
4.2.1 Normality Test.....	39
4.2.2 Multicollinearity Test.....	40
4.2.3 Heteroscedasticity Test	42
4.3 Selecting an Estimation Model	43
4.3.1 First Research Model	43
4.3.2 Second Research Model.....	44
4.4 Regression Analysis	46
4.4.1 First Research Model (Tobin's Q)	46
4.4.2 Second Research Model (ROA)	47
4.5 Hypothesis Testing	48
4.5.1 The Impact of Environmental on Firm Performance	48
4.5.2 The Impact of Social on Firm Performance	49
4.5.3 The Impact of Governance on Firm Performance	50
4.6 Discussion	51
4.6.1 The Impact of Environmental on Firm Performance	51
4.6.2 The Impact of Social on Firm Performance	54
4.6.3 The Impact of Governance on Firm Performance	56
CHAPTER V. CONCLUSION	60



5.1 Conclusion	60
5.2 Limitation.....	62
5.3 Suggestion.....	62
5.4 Implication	63
REFERENCES	65
APPENDICES	72



LIST OF TABLES

Table 2.1 Examples of ESG Issues	10
Table 3.1 Research Samples	26
Table 3.2 List of Sample Companies for Tobin's Q Variable	27
Table 3.3 List of Sample Companies for ROA Variable	28
Table 4.1 Descriptive Statistics for Tobin's Q Variable	36
Table 4.2 Descriptive Statistics for ROA Variable	38
Table 4.3 Multicollinearity Test for Tobin's Q Variable	41
Table 4.4 Multicollinearity Test for ROA Variable	41
Table 4.5 Panel Data Regression for Tobin's Q Variable	43
Table 4.6 Chow Test for Tobin's Q Variable	44
Table 4.7 Hausman test for Tobin's Q Variable	44
Table 4.8 Panel Data Regression for ROA Variable	45
Table 4.9 Chow Test for ROA Variable	45
Table 4.10 Hausman Test for ROA Variable	45
Table 4.11 Fixed Effect Model for Tobin's Q Variable	46
Table 4.12 Random Effect Model for ROA Variable	47



LIST OF APPENDICES

APPENDIX I – List of Environmental Issues Assesses in Thomson Reuters	72
APPENDIX II – List of Social Issues Assesses in Thomson Reuters	73
APPENDIX III – List of Social Issues Assesses in Thomson Reuters	75
APPENDIX IV A – Descriptive Statistics for Tobin’s Q Variable	78
APPENDIX IV B – Descriptive Statistics for ROA Variable	78
APPENDIX V A - Common Effect Model for Tobin’s Q Variable	78
APPENDIX V B - Fixed Effect Model for Tobin’s Q Variable	78
APPENDIX V C - Random Effect Model for Tobin’s Q Variable	79
APPENDIX VI A - Common Effect Model for ROA Variable	80
APPENDIX VI B - Fixed Effect Model for ROA Variable	80
APPENDIX VI C - Random Effect Model for ROA Variable	81