

**THE IMPACT OF ESG AND GOOD CORPORATE GOVERNANCE ON  
COMPANY FINANCIAL PERFORMANCE**



**SKRIPSI**

Disusun untuk Memenuhi Syarat Menyelesaikan Pendidikan Sarjana  
Terapan (D-IV) Akuntansi Sektor Publik pada Jurusan Akuntansi  
Politeknik Negeri Sriwijaya

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**PALEMBANG**

**2025**

**THE EFFECT OF INFLATION RATE, COMPANY SIZE, AND PRICE  
EARNING RATIO ON EARNINGS GROWTH ON THE  
MANUFACTURING COMPANIES IN INDONESIA**



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KEMENTERIAN PENDIDIKAN TINGGI, KEBUDAYAAN, RISET DAN  
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## ACKNOWLEDGEMENT

This study was made successful through the aid from several parties who guided and helped the throughout process for the completion of this study. I would like to give my greatest gratitude to all of those who have helped me directly or indirectly in writing this study. First of all, I would like to thank God, Allah SWT. for the blessing and mercy given to me, letting me through all difficulties in order to be able to completed this study.

Second of all, I would like to expand my deepest gratitude to my supervisor Madam Amilia Syuhada Binti Abdul Majid for the guidance and advice given to me through all stages of writing this study. I would also like to thank my research project lecturers Dr. Abd Hadi bin Mustaffa and Assoc Prof. Dr. Azzam Abdelhakeem Khalid for the guidance, support, and patience in helped me from the very start until the end of completing this study.

Most importantly, I would like to thank my beloved parents who are the best parents ever. I am always grateful for your never-ending love, never-ending prayers, treatment and sacrifice. You have made me feel very lucky to have such a wonderful family. You must accompany me on all my life journeys and achievements if I want to stay healthy and live for a long time. I would also like thank My Sisters, Anggi, Aulia and Zahwa for their support.

More than just the academic help needed to complete my dissertation, I am grateful to my housemates including Sabrina, Naili, Dhiya, Rahma, Dyah and Delvi for their support and patience, hopefully we can cross paths again and hear about each other's achievements. I am also grateful to my beloved Haiqal Muzakki who always provided support during the preparation of this thesis who was always patient in dealing with me and thank you for being part of my life journey. And also to my long- distance friends Putri, Nyimas, Shinta, and Nopa who have consistently provided support to me so that I continue to be motivated to complete this thesis.

(DIAN AUTIA ZULFAH)

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# THE IMPACT OF ESG AND GOOD CORPORATE GOVERNANCE ON COMPANY FINANCIAL PERFORMANCE

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## ABSTRACT

The lack of consistent evidence on the impact of corporate governance and sustainability practices on firm performance remains a key issue in emerging markets, including Indonesia. This study aims to analyze the influence of Environmental, Social, and Governance (ESG) factors, Board Size, Board Commissioners, Institutional Ownership, and Independent Commissioners on the financial performance of food and beverages companies listed on the Indonesia Stock Exchange (IDX). Using a quantitative approach, the study employs secondary data sourced from company financial and annual reports, covering a panel of firms over a specified period. The data is analyzed using panel data regression in Stata to examine the relationship between the selected independent variables and company financial performance. The findings reveal that ESG practices, Board Size, Institutional Ownership, and the presence of Independent Commissioners have a significant positive effect on company financial performance. In contrast, the number of Board Commissioners does not exhibit a statistically significant impact. These results suggest that sustainable business practices and strong governance mechanisms, particularly through ownership structure and board composition, play a crucial role in enhancing firm value in the food and beverage sector in Indonesia. Theoretically, this study enriches the literature on corporate governance and ESG in emerging markets by providing empirical evidence from the Indonesian context. Practically, the findings offer valuable insights for company stakeholders and policymakers to prioritize ESG integration and strengthen board structures to drive better financial outcomes. Overall, the study underscores the importance of targeted governance reforms and sustainability initiatives as strategic tools to improve firm performance in a competitive and evolving industry landscape.

**Keywords:** Company Financial Performance, ESG, Board Size, Board Commissioner, Institutional Ownership, Independent Commissioner

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