

ABSTRACT

The purpose of this research is to examine and prove whether Sustainability Report Disclosure has an effect on cost of equity of company. This study also tests whether the sustainability report assurance and big four accountancy firm as assurance provider can moderate the relationship between sustainability report disclosure and cost of equity capital. The sample used in this research is companies that published sustainability report and listed in Indonesia Stock Exchange for the 5-year time period during 2013-2017. This research was conducted quantitatively with Ordinary Least Square (OLS) Regression using robust standard errors to test the hypothesis. The statistical result of the test shows that Sustainability Report Disclosure has a negative and significant impact on cost of capital. The moderating variables, sustainability assurance and assurance provider, also moderate the relationship between sustainability report disclosure and cost of equity capital.

Keywords: Sustainability Reporting, Cost of Equity, Sustainability Assurance, Sustainability Report Disclosure