

STATEMENT BY THE AUTHOR

I hereby declare that this submission is my own work and to the best of my knowledge, it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis.

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ABSTRACT

THE IMPACT OF WATER CONSUMPTION REDUCTION ON FIRMS' PERFORMANCE IN INDONESIA

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Water is a crucial component in industrial and corporate activities. However a growing water demand, decreasing water quality and water supply from non industrial water users are creating new challenges for the businesses that have been taking clean water resources for granted, all this time. These challenges lead some businesses to take more actions and comprehensive strategic water management and to report those actions to shareholders and the public. The objective of this research is to establish whether there is any relationship between water consumption reductions and firms' performance in Indonesia. The data for the research were collected from sustainability reports available in SRA (Sustainability Report Awards) and annual reports available in Indonesia Stock Exchange (IDX). The data were analyzed using multiple regression models. The key finding of this research shows that there is negative relationship between ROCE (Return on Capital Employed), EPS (Earning Per Share), DPS (Dividend Per Share), and NPM (Net Profit Margin). Based on this it was recommended for the government and companies in Indonesia to be more concern about water consumption.

Keywords: Water Consumption, Firm Performance, Return on Capital Employed, Earning Per Share, Dividend Per Share, Net Profit Margin



SWISS GERMAN UNIVERSITY

DEDICATION

I dedicated this thesis for myself, for the sake of humanity and for Mother
Nature.

For Christophorus and Caecilia, thank you for your endless love

For Lai Ali Arifin, thank you for teaching me about life and the universe



"Water is the driving force of all nature,"
– Leonardo Da Vinci

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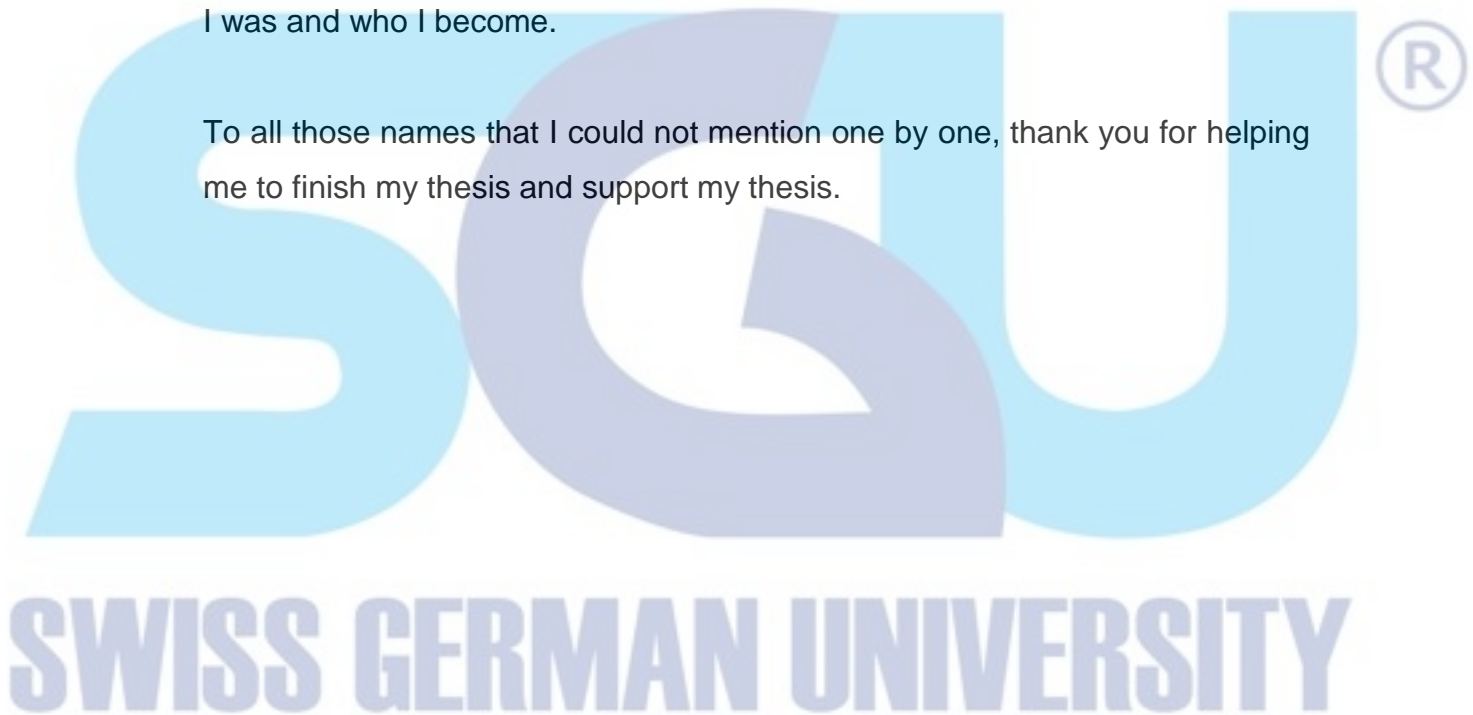


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