ABSTRACT

This study analyzes the performance of stock portfolios based on ESG Score in Indonesia by comparing the High-ESG portfolio, Low-ESG portfolio, and IHSG. ESG Score is used as the basis for stock ranking to form portfolios from groups of stocks with high and low ESG Scores.

This study uses univariate analysis and hypothesis testing with an observation period from June 2020 to May 2025. The sample includes companies listed on the Indonesia Stock Exchange that meet the research data criteria. The High-ESG portfolio is formed from stocks in the top 30% based on ESG Score, while the Low-ESG portfolio is formed from stocks in the bottom 30%. Portfolio weights are determined using market capitalization weighting. Portfolio performance is measured using Net asset value (NAV), which is calculated from monthly price return. Hypothesis testing is conducted using the Mann-Whitney U test.

The results show that the High-ESG portfolio is not proven to have significantly higher performance than IHSG. The Low-ESG portfolio is proven to have lower performance than IHSG, while the High-ESG portfolio is proven to have higher performance than the Low-ESG portfolio. These findings indicate that ESG Score can differentiate the performance of High-ESG and Low-ESG portfolios, but it is not strong enough to prove that the High-ESG portfolio can significantly outperform IHSG.

Keywords: ESG Score, High-ESG, Low-ESG, IHSG, Net asset value