

ABSTRACT

This research aims to examine the relationship of sustainability disclosure and cost of capital mediated by information asymmetry. The independent variable of this research the sustainability disclosure, while the dependent variable is cost of capital, and the mediating variable is information asymmetry. Firm size, profitability and leverage are the control variable of this research. Population used in this study is all of the firms listed on the Indonesia Stock Exchange (IDX) in the period of 2018-2019 and sample is selected with purposive sampling method. The result of this study indicates that there is a significant influence between the sustainability disclosure on the cost of capital. However, the sustainability disclosure does not have significant effect on the information asymmetry, the information asymmetry does not have effect on the cost of capital and the information asymmetry does not mediates the influence between the sustainability disclosure and cost of capital.

Keywords: sustainability disclosure, information asymmetry, and cost of capital