

## **ABSTRACT**

*The Company Performance Rating Program in Environmental Management (PROPER) is a government program established to encourage industry in the management and assessment of environmental performance. The results of the PROPER assessment can improve a good image in the eyes of stakeholders and become a signal for investors that the information in PROPER can be a consideration for their investment decisions. High profile companies have operational performance that can cause higher environmental damage than low profile companies.*

*This study aims to analyze whether there are differences in abnormal returns and cumulative abnormal returns on PROPER announcements in high profile companies and low profile companies listed on the Indonesia Stock Exchange.*

*This study uses the event study method with an observation period of 7 days. The research was conducted on high profile and low profile companies on the Indonesia Stock Exchange that participated in PROPER during 2018-2021. The sampling method used purposive sampling which resulted in 79 companies. The analysis technique used is paired sample t-test for normally distributed data and Wilcoxon signed rank-test for non-normally distributed data. The data used in this study is secondary data in the form of closing prices of shares of companies that participate in PROPER.*

*The results of this study are that is a decrease in abnormal return and cumulative abnormal return after PROPER announcement and there are differences in abnormal returns and cumulative abnormal returns before and after the announcement of PROPER in high profile companies and low profile companies listed on the Indonesia Stock Exchange. Through the results of this study, it is expected for management to participate in PROPER and for investors to invest in companies that get the lowest blue rating.*

*Keyword : PROPER, Abnormal Return, Cumulative Abnormal return*