ABSTRACT

The increasingly strengthening sustainable investment trend has positioned Environmental, Social, and Governance (ESG) performance as a primary criterion in investment decisions that impact company value. Based on a PwC survey of 250 global institutional investors, 90% believe that ESG integration in investment strategies will improve returns compared to non-ESG investments.

This research aims to examine the simultaneous and partial effects of carbon emission, capital structure, and dividend policy on company value in companies indexed as ESG sector leaders in IDX KEHATI for the period 2021-2023. The method used in this research employs a quantitative approach with purposive sampling data collection technique. This study has 45 observational data obtained from 15 companies. The analytical method used is panel data regression analysis using Eviews 12 software.

The results of this research show that carbon emission, capital structure, and dividend policy together have a simultaneous effect on company value. However, individually, the three variables (carbon emission, capital structure, and dividend policy) do not have a significant effect on company value. This finding indicates that companies need to consider these three factors simultaneously to increase company value. For investors, this research provides insight that company performance evaluation should consider ESG factors comprehensively to support optimal investment decision-making.

K*eywords*: *Carbon Emission; Capital Structure; Dividend Policy; Firm Value*