

ABSTRACT

Environmental, Social, and Governance (ESG) is a fundamental concept that facilitates stakeholders' understanding of how organizations manage risks and opportunities related to environmental, social, and governance metrics, commonly referred to as ESG factors. ESG is part of corporate sustainability and is highly relevant in the context of climate change issues driven by greenhouse gas effects and carbon emissions. These emissions originate from various sources, including energy and land use, forestry, agriculture, industrial processes, infrastructure development, and waste disposal resulting from company operations.

The study aims to understand the impact of Environmental, Social, and Governance (ESG) factors on firm value. The data involved is classified as secondary data, specifically from infrastructure companies listed on the Indonesia Stock Exchange for the period 2020-2022. The data collection approach uses purposive sampling techniques, resulting in a sample of 14 companies selected after meeting specific criteria. The research is classified as quantitative, and the data analysis techniques include descriptive analysis, classical assumption tests, and panel data regression.

The study finds that ESG has a significant simultaneous effect on firm value, and individually, environmental and governance factors significantly impact firm value, while social factors do not. The research concludes that greater attention to environmental and governance issues is necessary to enhance firm value in the infrastructure sector. Additionally, the study highlights the need for further evaluation of social factors to understand how they can be effectively integrated into corporate strategies to positively influence firm value.

Keywords: *Environmental Social Governance (ESG), Sustainability Concept & Corporate Values.*