ABSTRACT

This study examines the effect of the implementation of Environmental, Social, and Governance (ESG) aspects on Company Value in companies in the energy sector listed on the Indonesia Stock Exchange (IDX) in the period 2020- 2023. Environmental, Social, and Governance (ESG) is a basic framework that helps stakeholders understand how an organization manages risks and opportunities related to environmental, social, and governance aspects. ESG is part of the concept of corporate sustainability which is increasingly relevant in dealing with climate change issues, which are triggered by the effects of greenhouse gases and carbon emissions. Carbon emissions come from energy, industry, land use, and corporate waste.

This study aims to analyze the effect of ESG on Company value as measured using the Tobin's Q ratio. The data used are secondary data from energy sector companies listed on the Indonesia Stock Exchange (IDX) in the period 2020-2023. Sampling was carried out using a purposive sampling technique, resulting in 17 companies that met the research criteria. This study uses a quantitative approach with descriptive, classical assumption analysis tests, and panel data regression as its methods.

The results of the study indicate that ESG simultaneously has a significant effect on company value. However, partially only environmental factors have an effect on company value, while social and governance factors do not show a significant effect. Therefore, this study emphasizes the importance of greater attention to environmental issues in increasing company value in the energy sector. In addition, further studies are needed on social and governance factors in order to be effectively involved in the Company's strategy and provide insight for stakeholders and investors to have a positive impact on company value.
Keywords: *Environmental, Social, and Governance (ESG), Corporate Values, Sustainability Concept.*