

# WHEN SUSTAINABILITY MEETS STRATEGY: HOW ESG DISCLOSURE, INTELLECTUAL CAPITAL, AND DIVIDEND POLICY SHAPE FIRM VALUE

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**Background:** The infrastructure sector plays a vital role in supporting Indonesia's sustainable economic growth. However, this sector often faces environmental, social, and governance (ESG) challenges that can influence investor confidence and firm value. Previous studies examining the effects of ESG disclosure, intellectual capital, and dividend policy on firm value have produced inconsistent findings, particularly in emerging markets such as Indonesia.

**Purpose:** This study aims to analyze the effect of environmental, social, and governance (ESG) disclosures, intellectual capital, and dividend policy on firm value in infrastructure companies listed on the Indonesia Stock Exchange (IDX) during the 2020-2024 period.

**Methodology:** This research employs a quantitative approach using secondary data obtained from annual and sustainability reports, consisting of 75 firm-year observations of infrastructure companies listed on the IDX. The sample is selected using purposive sampling techniques. ESG disclosure is measured using the Global Reporting Initiative (GRI) Standards 2016 & 2021, intellectual capital is assessed through the Value Added Intellectual Coefficient (VAICTM) model, dividend policy is proxied by the Dividend Payout Ratio (DPR), and firm value is measured using the Price to Book Value (PBV) ratio. The analysis utilizes multiple linear regression with panel data, conducted through Stata 17 Software.

**Finding:** The results show that environmental, social, and governance disclosures each have a positive and significant effect on firm value. Conversely, intellectual capital and dividend policy exhibit no significant effect. These findings indicate that investors prioritize ESG transparency as a key determinant of firm value, while intellectual capital and dividend policy are not yet perceived as critical drivers in the infrastructure sector.

**Limitation:** This study is limited by its reliance on secondary data obtained from publicly available company reports, which may not fully capture qualitative managerial or strategic aspects. The analysis focuses solely on ESG disclosure, intellectual capital, and dividend policy as determinants of firm value, excluding other financial or macroeconomic influences that could provide additional explanatory power. Moreover, variations in firm characteristics may introduce unobserved heterogeneity that is not entirely controlled within the empirical model.

**Originality:** This study provides new insights by jointly analyzing ESG disclosure, intellectual capital, and dividend policy as independent predictors of firm value — a combination rarely explored in prior research. It contributes by integrating financial and non-financial dimensions within a single analytical framework, highlighting how sustainability transparency and intangible assets interact with dividend decisions. Using updated GRI Standards 2021 and the VAIC™ model, this study applies a contemporary approach to assess firm value creation. The repositioning of dividend policy as an independent variable adds theoretical depth and practical originality to corporate value studies.

**Keywords:** dividend policy, ESG disclosure, firm value, infrastructure sector, intellectual capital