

ABSTRACT

The current phenomenon indicates a global temperature increase of approximately 1.2°C over the past few centuries, with projections suggesting a higher increase of 2.0-3.7°C by the end of this century. This condition underscores the urgent need to address climate change, particularly in the Asia and ASEAN regions, where rapid economic growth contributes significantly to greenhouse gas emissions. In this context, this research focuses on LQ 45 companies listed on the Indonesia Stock Exchange (IDX) during the period 2018-2023, exploring the influence of company size, profitability, leverage, and rentability assets on the implementation of green investment strategies. Data indicates that companies with high Environmental, Social, and Governance (ESG) ratings tend to experience better financial growth.

The objective of this research is to understand the impact of these factors on company policies regarding the adoption of green investment strategies, particularly within the context of global climate change. Utilizing financial and sustainability data, this study employs regression analysis as a technique to identify relationships between variables. Additionally, the research aims to investigate the extent to which tax policies may mediate the influence of independent variables on the implementation of green investment strategies within companies.

This research adopts a quantitative approach, specifically regression analysis, involving companies listed in the LQ 45 index on the Indonesia Stock Exchange during the 2018-2023 period. Financial and sustainability data obtained from these companies will be analyzed using regression techniques as the primary tool to identify and measure relationships between the variables. The research sample includes a sufficient representation of LQ 45 companies, allowing for variation in economic conditions and sustainability. The sampling technique uses a purposive sampling method, which takes into account the special characteristics of companies involved in green investment.

Keywords: Green Investment Strategy Implementation, Company Size, Profitability, Leverage, Rentability Assets, Tax Policy, Business Sustainability.