

ABSTRACT

In the modern business era, increasingly influenced by environmental, social, and governance (ESG) issues, firm value is no longer determined solely by financial performance. Instead, it is also shaped by a company's commitment to sustainability, which is comprehensively represented by Enterprise Value (EV). As public awareness of sustainability grows, it is crucial to examine the extent to which ESG contributes to firm value, particularly in Indonesia—a country experiencing rapid regulatory and market development in ESG matters.

This study aims to analyze the influence of ESG Score on firm value using data from 43 cross-sector companies listed on the Indonesia Stock Exchange (IDX) between 2019 and 2023. Specifically, it investigates the simultaneous and partial effects of each ESG Score on firm value. The findings are expected to contribute academically to agency theory in the context of a developing country and provide practical implications for management, investors, and regulators.

A quantitative approach with a case study method is employed. Secondary data on ESG scores and Enterprise Value are collected from companies with consistent five-year data. The analysis is conducted using panel data regression with a fixed effect model in EViews 12. Samples are selected through purposive sampling, and both simultaneous and partial analyses are performed.

The results show that the ESG Scores collectively have a significant effect on firm value. However, only the Environmental Scores demonstrates a positive and significant effect when assessed individually, while the Social and Governance Scores are not statistically significant.

Companies are advised to enhance the disclosure of social and governance aspects, which have not yet shown a significant impact. Future research is recommended to adopt a broader scope, both in terms of the time period and the number and types of companies studied..

Keywords: *Enterprise Value, Environmental, Governance, Social*