

ABSTRACT

Firm value is an important indicator that reflects investors' perceptions of the performance prospects and sustainability of a business entity. The higher the company value reflected through the stock price, the greater the level of market confidence in the company's management in managing resources and creating long-term added value.

This study aims to determine the effect of debt policy, environmental performance, total asset turnover, and ESG (Environmental, Social, and Governance) score on firm value in companies indexed in the IDX ESG Score on the Indonesia Stock Exchange during the period 2020-2023, both simultaneously and partially.

This research uses a quantitative approach. The data analysis in this study used descriptive statistics and panel data regression with the help of EViews 13 software. The sampling technique used was purposive sampling, with a total sample of 25 companies for 4 years of observation, so that 100 observation data were obtained. The data used is secondary data obtained through annual reports, sustainability reports, and the official website of the Indonesia Stock Exchange.

The results of panel data regression analysis and hypothesis testing show that simultaneously, debt policy, environmental performance, total asset turnover (TATO), and ESG score variables have a significant effect on firm value. Meanwhile, partially, the variables that have a positive effect on firm value are debt policy and total asset turnover, while ESG score shows a negative effect on firm value. The novelty in this study lies in the integration between financial aspects (DER and TATO) and sustainability aspects (PROPER and ESG score) in analyzing firm value in issuers included in the ESG Score index in Indonesia. In addition, this study also reveals a negative relationship between ESG score and firm value, which is an interesting finding in the midst of global trends that emphasize the importance of ESG. Thus, future researchers can develop this research by expanding the observation period, testing each ESG dimension separately (Environmental, Social, and Governance), and including other supporting variables.

Keywords: *Debt Policy, Environmental Performance, Total Asset Turnover, ESG Score, Firm Value.*