

## **ABSTRACT**

*This study aims to analyze the effect of ESG Score, Environmental Score, Social Score, and Governance Score on corporate financial performance proxied by Return on Assets (ROA). The study was conducted on companies listed in the LQ45 Index on the Indonesia Stock Exchange over the period 2020–2024.*

*A quantitative approach was employed using secondary data obtained from Bloomberg Terminal. Samples were selected through purposive sampling, yielding 13 companies with a total of 65 observations. The analysis utilized multiple linear regression with panel data under the Random Effect Model (REM), incorporating Firm Size and Market Capitalization as control variables. Extreme values were addressed through winsorizing at the 10th and 90th percentiles.*

*The results indicate that ESG Score and Environmental Score do not significantly affect ROA, suggesting that the economic benefits of sustainability investments in these dimensions are long-term in nature and not yet reflected within the study period. Conversely, Social Score has a positive and significant effect on ROA, demonstrating that investment in employee welfare and community engagement meaningfully contributes to profitability. Similarly, Governance Score positively and significantly affects ROA, indicating that robust corporate governance reduces agency costs and improves asset utilization efficiency.*

*Keywords: ESG Score, Environmental Score, Social Score, Governance Score, Financial Performance, LQ45*

