

Abstract: *This study examines the effects of Environmental, Social, and Governance (ESG), liquidity, and leverage on firm value, with profitability as a mediating variable, using non-financial firms listed in the IDX ESG Leaders Index during 2021–2024, resulting in 102 firm-year observations, and employs Partial Least Squares–Structural Equation Modeling (PLS-SEM). The results indicate that ESG and liquidity have negative, significant effects on firm value, while leverage has a positive, significant effect. ESG and leverage do not significantly affect profitability, whereas liquidity does. Profitability negatively affects firm value and does not mediate the relationships between ESG, liquidity, leverage, and firm value. Overall, the findings suggest that firm value among ESG leader firms in emerging markets is primarily influenced by direct sustainability and capital structure signals rather than short-term accounting profitability.*

Keywords: *ESG; liquidity; leverage; profitability; firm value*

