



## The Effect of Profitability and Leverage on Firm Value With ESG Disclosure as a Mediating Variable in Coal, Metal and Mineral Sub-Sector Companies

Anindya Crescentia Bariq<sup>1</sup>, Krisdiana<sup>2\*</sup>  
Universitas Swadaya Gunung Jati

**Corresponding Author:** Krisdiana: [krisdiana@ugj.ac.id](mailto:krisdiana@ugj.ac.id).

---

### ARTICLE INFO

*Keywords:* Profitability, Leverage, Firm Value, ESG Disclosure, Mining Company

*Received :* 20, April

*Revised :* 10, May

*Accepted:* 26, June

©2026 Bariq, Krisdiana (s): This is an open-access article distributed under the terms of the [Creative Commons Attribution 4.0 International](https://creativecommons.org/licenses/by/4.0/).



### ABSTRACT

This study aims to determine the influence of profitability and leverage on firm value mediated by ESG Disclosure in mining companies in the coal, metal, and mineral sub-sector listed on the Indonesia Stock Exchange for the 2020-2024 period. The data used is secondary data from the annual financial statements and sustainability reports. This study uses descriptive and verifiable methods. The sample used was purposive sampling with a total of 14 companies that met the criteria for the 2020-2024 research period. The analysis technique used *Structural Equation Modeling-Partial Least Squares* (SEM-PLS) with the help of SmartPLS software. The results of the study show that profitability has a positive and significant effect on the firm value, while leverage does not have a significant effect on the firm value. Profitability has no significant effect on ESG Disclosure, while leverage has a significant effect on ESG Disclosure. Furthermore, ESG Disclosure does not have a significant effect on the firm value. The results of the mediation test showed that ESG Disclosure was unable to mediate the influence of profitability and leverage on the firm value. The findings of this study show that the value of mining sector companies is more influenced by financial performance, especially profitability, than by ESG practices. In addition, ESG has not acted as a mediation mechanism between profitability and leverage on firm value. This research is expected to contribute to the development of the literature and become a consideration for management and investors.

## INTRODUCTION

The development of the global business world in recent years shows a paradigm shift in the assessment of company performance. Increasingly fierce business competition encourages companies to increase the firm value to attract investors' interest. The increase in the company's value encourages investors to invest their capital and has an impact on the increase in stock prices. So that it becomes an important indicator in investment decision-making because the increase in the value of the company encourages investors to invest their capital and has an impact on the increase in stock prices (Handini, N. S., Astuti, T. P., & Suseno, 2019).

The market's perception of a company's ability to manage resources and provide profits to shareholders affects the value of the company. It is proven that internal components such as profitability and leverage can increase the value of a company. While leverage indicates the amount of borrowing used for operations, profitability indicates a business's ability to generate profits. A high level of profitability typically increases the value of a company because it indicates management efficiency and the possibility of a greater dividend distribution, while high leverage has the potential to increase financial risk and lower the value of the company if not balanced by good performance (Scott, 2019). However, the results of previous research still show inconsistent results regarding the two variables on the company's value.

The issue of global climate change is increasingly worrisome, as evidenced by the latest climate data showing that 2025 will be one of the hottest years in the history of climate record, with the average temperature of the Earth's surface reaching about 1.47 °C above pre-industrial levels. The period 2023 to 2025 recorded an average of above 1.5 °C, exceeding the safe limit of global warming as set in the *Paris Agreement* (ECMWF, 2025). This condition increases pressure on business sustainability, especially in the mining sector whose activities contribute to greenhouse gas emissions and environmental damage.

In addition to financial factors, ESG (Environmental, Social, and Governance) is beginning to be seen as a mechanism that bridges the relationship between financial performance and company value. In this context, ESG (Environmental, Social, and Governance) disclosure is an important instrument for companies to demonstrate commitment to managing environmental and social impacts. As a form of concrete implementation, the Financial Services Authority (OJK) issued OJK Regulation Number 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies (OJK, 2017). This shows that ESG disclosure is an important signal for investors in assessing a company's performance beyond financial indicators (Hoepner et al., 2021).

Good ESG disclosures can increase transparency, reduce data inequality, and increase investor confidence in companies. According to Buallay, (2019) and ; Fatemi et al., (2018) found that ESG Disclosure has the ability to increase company value because it provides positive signals to investors. However, other research suggests that such an influence may not be significant, especially in

developing countries where investors are less aware of sustainability issues (Velte.P, 2017). These differences in results indicate that the effectiveness of ESG Disclosure in increasing company value can be influenced by industry characteristics, market conditions, and the level of implementation of sustainability practices in each company.

In addition to direct relationships, several studies have also highlighted the importance of mediation mechanisms in explaining the influence of ESG on company value. Sumarno et al., (2025) found that profitability can mediate the influence of ESG on company value. These results are supported by Pradipta, A. N., & Atmini, S. (2024) which shows that ESG can improve a company's financial performance, which in turn has an impact on increasing the company's value. Research on the role of ESG Disclosure as a mediating variable in the relationship between profitability and leverage to company value also shows mixed results.

Based on these conditions, there are still research gaps that need to be studied further. Some previous studies have focused on the influence of profitability, leverage, or ESG Disclosure on firm value, while research that examines ESG Disclosure as a mediation mechanism in the relationship between financial factors and firm value is still relatively limited, especially in the mining sector in Indonesia. Therefore, this study aims to fill this gap by analyzing the influence of profitability and leverage on firm value with ESG Disclosure as a mediating variable in companies in the coal, metals and minerals subsector for the 2020-2024 period. The results of this study are expected to make a theoretical contribution to the development of ESG literature and firm values and provide practical implications for corporate management, investors, and regulators in encouraging sustainable business practices.

## **LITERATURE REVIEW**

### **Theoretical basis**

#### **Signalling Theory**

Signalling Theory (Spence, 1973) explains that financial and non-financial information disclosed by a company serves as a signal for investors to assess the condition and prospects of the company. According to Lee, et al (2022) said that signaling on environmental, social, and governance aspects also functions as one of the company's communication tools with customers, employees, and other stakeholders. In this aspect, the business will be able to gain credibility and a positive reputation from customers, employees, investors, and other stakeholders, which will drive business operations.

#### **Legitimacy Theory**

Legitimacy theory states that in order to maintain social legitimacy, mining companies must disclose ESG due to their significant environmental footprint (Cho et al., 2023). ESG disclosure is considered a form of legitimacy because it communicates the company's commitment to environmental, social, and good governance issues.

#### **Trade-Off Theory**

According to Brigham, E. F., & Houston, (2011) Trade-Off Theory is a theory in which companies exchange tax benefits from debt financing for problems caused by potential bankruptcy. The greater the use of debt, the greater the profit from the use of debt, but the cost of bankruptcy and agency fees also increase, even greater.

### **Stakeholder Theory**

Stakeholder theory (Freeman, 1984) which states that the company is not only responsible to the shareholders, but also to all parties who have an interest in the sustainability of the company, such as employees, consumers, the community, and the government.

### **Profitability**

Profitability is the company's ability to generate profits from assets used in its operational activities (Adhitya Nugraha, 2020 in (Awaliyah, 2025) The higher the level of profitability, the greater the attractiveness of the company to investors due to the potential for higher returns, which ultimately increases the value of the company.

### **Leverage**

Leverage is the funds obtained from creditors; creditors prefer companies with a low debt ratio because the lower the company's debt provided by shareholders, the more it serves as protection for creditors against the risk of unpaid debts (Hery, 2017).

### **ESG Disclosure**

ESG Disclosure is the transparent disclosure of a company's commitment to environmental, social, and governance aspects in an annual report or sustainability report (Baier & Kunter, 2020). Profitable companies have greater resources to invest in sustainability practices and improve the quality of ESG disclosures. It is supported by (Sumarno et al., 2025) that found a link between profitability and ESG.

### **Firm Value**

Sartono (2021, as cited in Ibrahim, 2024) states that firm value is the result of management's efforts to maximize shareholder profits through appropriate financial decision-making. The value of a company reflects investors' perceptions of its success in managing its business and generating future profits. This perception is closely related to stock market performance, where an increase in stock prices usually indicates growing investor confidence in the company's prospects and performance.

### **Profitability to ESG Disclosure**

Profitability is an indicator of a company's ability to generate profits that can be used to support operational activities and sustainable programs. Based on the Signalling Theory, companies that have high profitability tend to disclose broader information as a positive signal to investors. It is supported by Sumarno et al., (2025) which finds a link between profitability and ESG.

### **Leverage on ESG Disclosure**

Companies with high levels of debt face close scrutiny from creditors and institutional investors, thus being encouraged to increase transparency through ESG Disclosure as a non-financial risk management instrument (Kim & Li, 2021). Stakeholder Theory supports this view: high-leverage companies need to meet the interests of creditors as key stakeholders through more comprehensive disclosure. Legitimacy Theory also explains that in the mining sector, companies with high leverage require stronger social legitimacy through ESG practices (Cho et al., 2023). Yuniar et al. (2025) confirmed the significant positive influence of leverage on ESG Disclosure.

### **ESG Disclosure and Firm Value**

Quality ESG Disclosure is a good indication that the company has good governance and is committed to sustainability, thereby increasing investor confidence and driving the increase in the company's value (Kim & Li, 2021). Legitimacy Theory also explains that companies that are transparent in ESG are more likely to gain acceptance from the public and regulators, which leads to market appreciation (Cho et al., 2023). Propheta & Irawati (2025) proves the significant positive influence of ESG Disclosure on company value.

### **ESG as a Mediator of Profitability to Firm Value**

Companies with high profitability can allocate more resources to improve ESG Disclosure, which further strengthens investor confidence and increases company value. This mediation mechanism combines Signalling Theory and Legitimacy Theory: profitability generates the capacity to signal sustainability through ESG, and ESG strengthens a company's legitimacy in the eyes of stakeholders. (Sumarno et al., 2025) and Pradipta & Atmini (2024) support the role of ESG mediation in the relationship between financial performance and company value.

### **ESG as a Leverage Mediation for Firm Value**

High leverage encourages increased ESG Disclosure as a form of transparency to creditors, and better disclosure is expected to reduce investors' risk perception so that it has a positive impact on the company's value. The Trade-Off Theory explains that companies can offset leverage risk through increased ESG accountability. Stakeholder Theory supports this argument: ESG transparency mediates the relationship between creditor pressure (due to leverage) and the market's response to a company's value (Freeman, 1984). Yuniar et al. (2025) indicate the role of ESG in strengthening the relationship between funding structures and company values.

## Contextual Framework

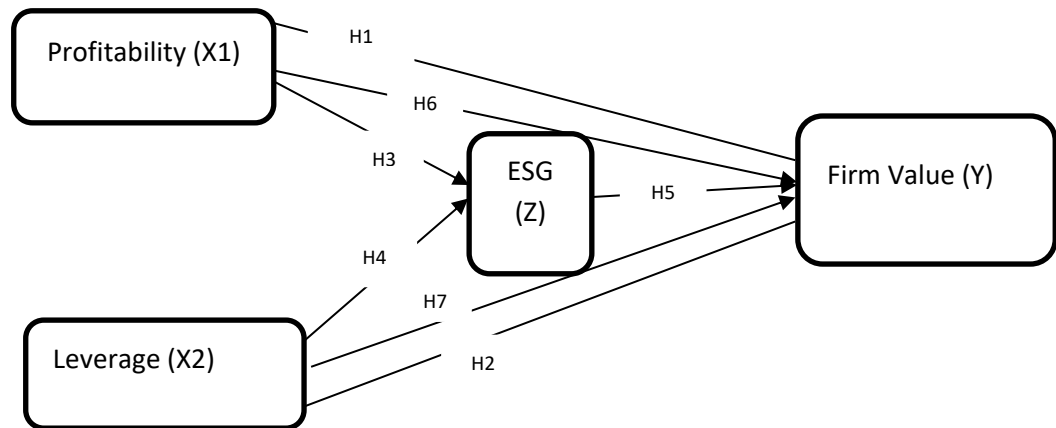


Figure 1. Conceptual Framework

## Research Hypothesis

- H1: Profitability affects Firm Value
- H2: Leverage affects Firm Value
- H3: Profitability affects ESG Disclosure
- H4: Leverage affects ESG Disclosure
- H5: ESG Disclosure affects Firm Value
- H6: ESG Disclosure mediate the influence of Profitability on Firm Value
- H7: ESG Disclosure mediate the influence of Leverage on Firm Value

## METHODOLOGY

### Research method

This study uses a quantitative approach with causal associative methods to test the influence of profitability and leverage on firm value with ESG Disclosure as a mediating variable. The research population is all coal, metal, and mineral sub-sector companies listed on the Indonesia Stock Exchange during the 2020–2024 period as many as 39 issuers. Sampling techniques using *purposive sampling*. According to Hair, et.al (2017) This method was chosen to ensure that the samples taken had certain criteria that were in accordance with the research objectives. Based on the results of the selection using *purposive sampling*, 14 companies met the criteria, with a total of 70 observation data during five years of observation.

### Operationalization of variabel

The Firm value in this study as a dependent variable measured by Tobin's  $q$  is calculated by comparing the company's market value with its total book value, which is most commonly formulated as follows:

$$TOBINQ = \frac{MVE + DEBT}{TOTAL\ ASET}$$

The independent variables in this study are profitability and leverage with proxied profitability (ROA) which are formulated as follows:

$$ROA = \frac{LABA\ BERSIH}{TOTAL\ ASET} \times 100\%$$

Leverage in proxy (DER) is calculated by total debt divided by total equity. Which is formulated as follows:

$$DER = \frac{TOTAL\ UTANG}{TOTAL\ EKUITAS}$$

The mediation variable in this study is ESG Disclosure which is measured using standards (Global Reporting Initiative GRI, 2021) obtained from the annual report or sustainability report, formulated as follows:

$$ESGDI = \frac{JUMLAH\ ITEM\ DIUNGKAP}{JUMLAH\ ITEM}$$

### Data analysis techniques

According to Sugiyono (2019), quantitative data analysis is carried out using statistical techniques, both descriptive statistics and inferential statistics, in order to draw generalizing conclusions about the population. The data analysis technique in this study uses *Structural Equation Modeling-Partial Least Squares* (SEM-PLS) with the help of SmartPLS software.

All constructs were measured with a single indicator, although the construct in this study used a single indicator, the SEM-PLS approach was still used because the research focused on testing direct and indirect relationships (mediation) simultaneously. In addition, the bootstrapping procedure in SEM-PLS allows for a more comprehensive estimation of the significance of direct and indirect influence paths compared to the gradual regression approach, so the outer model is not the main focus. The analysis is focused on structural models (inner models) to test the causal relationships between variables. Internal model testing includes:

1) Multicollinearity Test

The Variance Inflation Factor (VIF) value is used to test multicollinearity. The model is declared free of multicollinearity if the VIF value is < 5.

2) Coefficient of Determination (R<sup>2</sup>)

The value of R<sup>2</sup> is used to calculate the magnitude of the variation of dependent variables that can be explained by independent variables and mediating variables.

3) Path Coefficient

The path coefficient shows the magnitude of the influence between latent variables. This value can be positive or negative according to the direction of the relationship between variables. The value of the path coefficient must be tested for significance with a t-statistical value or p-value.

4) Indirect effect

The value of the indirect effect is obtained from the result of multiplying the path coefficient of independent variables to the mediator and the mediator to the dependent variable. The significance criteria were determined based on a p-value of < 0.05 or a t-statistic > 1.96,

5) Effect Size ( $f^2$ )

The value of  $f^2$  is used to determine the contribution of each independent variable to the dependent variable.

6) Predictive Relevance ( $Q^2$ )

The value of  $Q^2$  was obtained by the blindfolding method. If the value of  $Q^2 > 0$ , then the model is shown to have a good prediction.

**RESEARCH RESULTS**

**Multicollinearity Test**

The results of the multicollinearity test showed a VIF value of 1,000 for all variables. A VIF value that is well below the threshold of 5 indicates that the assumption of the absence of multicollinearity has been met, so that the estimated path coefficient can be interpreted accurately and reliably.

**Table 1. Multicollinearity test results**

Variables	Z_ESG	X1_ROA	X2_DER	Y_tobinQ
Z_ESG				1
X1_ROA	1			1
X2_DER	1			1

Data source: processed 2026

**Determination coefficient test**

The R-square value of 0.75 means a strong model, a value of 0.50 for a moderate model, and a value of 0.25 is concluded to be a weak model, the higher the value of the determination coefficient, the better the prediction value proposed.

**Table 2. Results of the determinant coefficient test**

Variables	R-Square
M_ESG	0.168
Y_TOBIN'Q	0.179

Data source: processed 2026

From the results of the above testing, it can be concluded that, with the R2 value of the ESG disclosure variable of 0.168, profitability and leverage can only explain 16.8% of the variation in ESG disclosure, while the remaining part is explained by other variables outside the research model. In addition, Tobin's Q value of 0.179 indicates that ESG disclosure, leverage, and profitability can only explain 17.9% of the company's value variation.

**Path Coefficient**

The Path Coefficient test aims to determine the direction, magnitude, and significance of the influence between latent variables in the structural model. If the T-value > 1.96 and the p-value < 0.05, the relationship is declared significant.

**Table 3. Path Coefficient test results**

Variable counter	Original Sample (o)	Sample mean (M)	Standard Deviation (STDEV)	T statistics (O/STDEV)	P-Values	CI (25%)	CI (95%)
ESG->TOBIN'Q	0.047	0.046	0.059	0.790	0.430	-0.080	0.154
TWO -> ESG	0,091	0.087	0.102	0.894	0.371	-0.123	0.270
TWO->TOBIN'Q	0.354	0.369	0.085	4.151	0.000	0.214	0.539
DER->ESG	0.376	0.381	0.065	5.760	0.000	0.255	0.510
DER -> TOBIN'Q	0.127	0.146	0.089	1.423	0.155	-0.006	0.364

Data source : processed 2026

Based on the test results in the table above, it shows the effect of ROA on Tobin'Q based on the coefficient of the  $\beta$  path = 0.354 indicating the direction of a positive relationship. The T-statistical value of 4.151 and p = 0.000 have met the significance criteria. Therefore, ROA has a positive and significant effect on Tobin'Q. The effect of DER on Tobin'Q on the coefficient of the  $\beta$  path = 0.127 indicates the direction of the positive relationship. However, the values of t = 1.423 and p = 0.155 did not meet the significance criteria. Thus, the influence of DER on Tobin's Q is insignificant. The effect of ROA on ESG on the coefficient of the  $\beta$  path = 0.091 indicates the direction of a positive relationship. The values of t= 0.894 and p = 0.371 indicate that the relationship is not significant. The effect of DER on ESG on the coefficient of the  $\beta$  path = 0.376 indicates the direction of a positive relationship. The values of t = 5.760 and p = 0.000 indicate that the relationship is significant. Therefore, DER has a positive and significant effect on Tobin'Q. The influence of ESG on Tobin'Q on the value of the  $\beta$  coefficient = 0.047 indicates the direction of a positive relationship. However, the values of t = 0.790 and p = 0.430 did not meet the significance criteria. Thus, the influence of ESG on Tobin's Q is insignificant.

**Indirect Effect**

Mediation variable testing was carried out to find out whether ESG disclosure was able to mediate the influence of profitability of ROA, and

Leverage (DER) on the firm value (Tobin'Q). The mediation test was carried out by looking at the indirect effect value of bootstrapping results.

**Table 4. Indirect Effect test results**

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values
X1_ROA -> M_ESG -> Y_TOBIN'Q	0.004	0.001	0.009	0.477	0.633
X2_DER -> M_ESG -> Y_TOBIN'Q	0.018	0.018	0.024	0.732	0.464

Data source: processed 2026

From the table above, the indirect influence of ROA on Tobin's Q through ESG Disclosure shows a p-value of 0.633 (>0.05), so it can be concluded that ESG Disclosure does not mediate the relationship between profitability and firm. Similarly, the indirect influence of DER on Tobin's Q through ESG Disclosure showed a p-value of 0.464 (>0.05), so ESG Disclosure also did not act as a mediating variable.

**Effect Size**

Effect size ( $f^2$ ) testing was carried out to determine the magnitude of the contribution of exogenous variables to endogenous variables. According to (Hair, et.al, 2019) The  $F^2$  assessment criteria are that the  $F^2$  value of 0.02 shows a small influence, 0.15 a moderate influence, and 0.35 a large influence.

**Table 5. Effect size test results**

	F-Square
M_ESG -> Y_TOBIN'Q	0.002
X1_ROA -> M_ESG	0.009
X1_ROA -> Y_TOBIN'Q	0.141
X2_DER -> M_ESG	0.158
X2_DER -> Y_TOBIN'Q	0.016

Data source: processed 2026

The value of  $f^2$  ROA to Tobin's Q of 0.141 (small to medium category), indicates that the contribution of profitability in explaining the variation in the company's value is still limited. Meanwhile, the value of  $f^2$  DER to ESG Disclosure was 0.158 (medium category), indicating that leverage makes a significant contribution in driving ESG disclosure.

**Predictive Relevance**

Q2 predictive relevance testing was assessed to assess the extent to which the structural model has predictive ability to explain and predict endogenous variables. The Q2 value was obtained through the blindfolding procedure. The Q2 assessment criterion is to be declared to have predictive ability if the Q2 value > 0.

**Table 6. Predictive Relevance Test Results**

	Q2
ESG	0.129
TOBIN, Q	0.122

Data source: processed 2026

The results of the *predictive relevance* ( $Q^2$ ) test showed a value of 0.129 for the ESG Disclosure variable and 0.122 for the Tobin's Q variable.

## DISCUSSION

### The Effect of Profitability on Firm Value

Profitability (ROA) had a significant effect on the firm value ( $\beta = 0.354$ ;  $t = 4.151$ ;  $p = 0.000$ ). These findings are consistent with Signalling Theory: high profits are a strong signal to investors that the company is being managed efficiently, driving market confidence and rising stock prices. These results are in line with (Awaliyah, 2025) and (Yuniar et al., 2025) which proves profitability as the main determinant of company value.

### The Effect of Leverage on Firm value

Leverage (DER) had no significant effect on the firm value ( $\beta = 0.127$ ;  $t = 1.423$ ;  $p = 0.155$ ). These results support the Trade-Off Theory that debt is only profitable to a certain extent. In the mining sector, investors tend to pay more attention to the stability of operational performance and environmental risks than to the capital structure. These findings are consistent with Indrati & Artikasari (2024).

### The Effect of Profitability on ESG Disclosure

Profitability had no significant effect on ESG Disclosure ( $\beta = 0.091$ ;  $t = 0.894$ ;  $p = 0.371$ ). This indicates that ESG disclosure in the mining sector is compliance-driven driven by regulatory and external stakeholder pressures and not solely by the company's financial condition. As per the Legitimacy Theory, mining companies carry out ESG as a long-term social obligation, regardless of their level of profitability (Buallay, 2019).

### The Effect of Leverage on ESG Disclosure

Leverage has a significant effect on ESG Disclosure ( $\beta = 0.376$ ;  $t = 5.760$ ;  $p = 0.000$ ) with a moderate effect size ( $f^2 = 0.158$ ). Companies with high debt face tighter scrutiny from creditors and institutional investors, thereby increasing ESG Disclosure as a risk management strategy and reducing information asymmetry. Stakeholder Theory and Legitimacy Theory together explain this mechanism (Freeman, 1984); Cho et al., 2023). The results of this study are in line with the findings Fatika Masyitoh, F., & Indrabudiman, (2024) found that leverage is limited to ESG disclosures.

### The Effect of ESG Disclosure on Firm Value

ESG Disclosure had no significant effect on the firm value ( $\beta = 0.047$ ;  $t = 0.790$ ;  $p = 0.430$ ). These findings show that in Indonesia's mining sector, investors have not fully considered ESG as an added value factor. The high cost of ESG implementation is perceived as a short-term burden rather than a long-term

investment (Darma, I. P., & Novianti, 2024). These findings show that investors in Indonesia's mining sector are still oriented towards financial indicators rather than sustainability information.

### **ESG Disclosure as Mediation: Profitability on Firm Value**

ESG Disclosure has not been shown to mediate the effect of profitability on firm value ( $\beta = 0.004$ ;  $t = 0.477$ ;  $p = 0.633$ ). Since profitability has no significant effect on ESG (H3 is rejected), a mediation path cannot be established. This means that in Indonesia's mining sector, an increase in profits does not automatically encourage ESG practices which then increase the value of the company. Profitability affects the value of the company directly, not through ESG mechanisms ((Broadstock, 2021)

### **ESG Disclosure as Mediation: Leverage on Firm Value**

ESG Disclosure was unable to mediate the influence of leverage on the firm value ( $\beta = 0.018$ ;  $t = 0.732$ ;  $p = 0.464$ ). Although leverage has a significant effect on ESG (H4 accepted), ESG has no significant effect on the firm value (H5 is rejected), so the mediation path is cut off. Based on the Trade-Off Theory, increased debt does encourage ESG transparency, but the market has not responded to the disclosure as a signal of increased firm value, so ESG is classified as no mediation.

## **CONCLUSIONS AND RECOMMENDATIONS**

This study shows that profitability is the main determinant of firm value in the mining sector, while leverage is not proven to be significant. Leverage has been proven to encourage an increase in ESG Disclosure, but ESG Disclosure itself has not been able to significantly increase the firm value. As a result, ESG Disclosure has not been proven to be a mediating variable in relation to profitability or leverage to the firm value during the 2020–2024 period.

Mining companies need to prioritize improving financial performance as a key value creation strategy. On the other hand, investment in ESG Disclosure needs to be seen as a long-term commitment given that the market response to ESG disclosure in Indonesia is still limited. For investors, ESG factors should start to be integrated into long-term investment analysis, given that regulatory pressures and stakeholder expectations for sustainability will continue to increase.

## **FUTHER STUDY**

Further research is suggested to extend the observation and sample period to other sectors so that the findings can be generalized more broadly, adding moderation variables such as company size or governance, and using ESG proxies from international rating agencies for more comprehensive results.

## **ACKNOWLEDGMENT**

The author would like to express his deepest gratitude to the supervisor for his guidance, direction, and invaluable input during the research process. His dedication and expertise have made a great contribution to improving the quality

of this research. The author also expresses his sincere gratitude to the family and an unnamed person for his unwavering prayers, support, and enthusiasm during the completion of this research. Their affection and understanding are an invaluable source of motivation for the writer.

## REFERENCES

- Awaliyah, L. (2025). *Pengaruh Pengungkapan Esg , Profitabilitas Dan Leverage Konsumsi Yang Terdaftar Di Bursa Efek*. 10(204), 2287–2311.
- Brigham, E. F., & Houston, J. F. (2011). *Fundamentals of Financial Management*.
- Broadstock, D. C. (2021). The role of ESG performance during times of financial crisis: Evidence from COVID-19 in China. *Finance Research Letters*,
- Buallay, A. (2019). Between cost and value: Investigating the effects of sustainability reporting on a firm's performance. *Journal of Applied Accounting Research*.
- Darma, I. P., & Novianti, T. (2024). Pengaruh ESG disclosure terhadap nilai perusahaan. *Jurnal Akuntansi Multiparadigma*,
- Fatika Masyitoh, F., & Indrabudiman, A. (2024). Effects of Profitability, Liquidity, and Leverage on Environmental, Social & Governance (ESG) Disclosures with Company Size as a Moderation Variable. *Jurnal Disrupsi Bisnis*, Vol. 7, No.
- Freeman, R. E. (1984). *strategic management: A stakeholder approach*.
- Global Reporting Initiative GRI. (2021). *GRI Standards*.
- Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2017). *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*. CA: Sage Publications.
- Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*. Sage Publications.
- Handini, N. S., Astuti, T. P., & Suseno, A. E. (2019). (2019). Pengaruh manajemen laba dan kebijakan dividen terhadap nilai perusahaan. *Urnal Akuntansi Kontemporer*.
- Hery. (2017). *Analisis Laporan Keuangan: Integrated and Comprehensive Edition*. Jakarta: Grasindo.
- Hoepner, A. G. F., Majoch, A. A. A., & Zhou, X. Y. (2021). Does an Asset Owner ' s Institutional Setting Influence Its Decision to Sign the Principles for Responsible Investment? *Journal of Business Ethics*, 168(2), 389–414.

<https://doi.org/10.1007/s10551-019-04191-y>

- Ibrahim, A. (2024). *The Effect of Capital Structure , Profitability , and Company Size on Company Value at PT Tiga Pilar Sejahtera Food.*
- Kim, S., & Li, Z. (2021). Understanding the impact of esg practices in corporate finance. *Sustainability (Switzerland)*, 13(7), 1–15. <https://doi.org/10.3390/su13073746>
- Lee, K. H., Cin, B. C., & Lee, E. Y. (2022). Environmental responsibility and firm reputation. *Business Strategy and the Environment*,.
- OJK. (2017). *Peraturan OJK Nomor 51/POJK.03/2017.*
- Sugiyono. (2019). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D.* Bandung: Alfabeta.
- Sumarno, D. C., Andayani, W., & Yoney Widya Prihatiningtias. (2025). *Pengaruh Environmental Social Dan Government (ESG) Terhadap Nilai Perusahaan dengan Profitabilitas sebagai variabel mediasi.*
- Velte.P. (2017). Does ESG performance have an impact on financial performance? Evidence from Germany. *Journal of Global Responsibility.*
- Yuniar, A., Puteri, D. A., & Rahmadini, S. (2025). *ESG Disclosure : Faktor Kunci dalam Meningkatkan Nilai Perusahaan di Sektor Energi dan Barang Baku pada Indeks.* 120–132.