Journal of Economics, Finance and Management Studies

ISSN (print): 2644-0490, ISSN (online): 2644-0504

Volume 08 Issue 07 July 2025

Article DOI: 10.47191/jefms/v8-i7-67, Impact Factor: 8.317

Page No: 4793-4809

Firm Value in ESG Leaders: The Impact of Sustainability Disclosure, Size, and Leverage with Profitability as a Mediating Variable

Yuliana Mauren[1], Dr. Ir. Andam Dewi Syarif, MM[2]

[1,2] Mercu Buana University, Jakarta, Indonesia

ABSTRACT: Firm value reflects investors' perception of a company's overall worth, which can be influenced by both financial and non-financial factors. This study aims to analyze the effect of Sustainability Report Disclosure, Firm Size, and Leverage on Firm Value with Profitability as an intervening variable. The population of this study are companies included in the IDX ESG Leaders index for the period 2020-2023, with a total sample of 14 companies. Sustainability Report Disclosure is proxied by SRDI, Firm Size by Ln (Total Assets), Leverage by DER, Profitability by ROA, and Firm Value is proxied by PBV. The results found that Firm Size and Leverage have a positive effect on Firm Value, while Sustainability Report Disclosure has no effect on Firm Value. In addition, Sustainability Report Disclosure, Firm Size, and Leverage have a significant positive effect on Profitability. Regarding the mediating variables, the results found that Profitability is able to mediate the effect of Firm Size and Leverage on Firm Value, while Profitability is not able to mediate the effect of Sustainability Report Disclosure on Firm Value.

KEYWORDS: Sustainability Report Disclosure, Firm Size, Leverage, Profitability, Firm Value

I. INTRODUCTION

In the era of globalization and increasing environmental awareness, the issue of sustainability has become a major concern for companies around the world, including in Indonesia. Sustainability is not only the responsibility of the company, but now it is also a necessity for the survival of the company itself. According to (Brigham & Houston, 2019), companies that effectively manage environmental and social risks, and still maintain good governance practices tend to get higher market valuations. Meanwhile (Ross, Westerfield, & Jordan, 2019) state that companies with strong sustainability practices often achieve high valuations, as they are better positioned to seize market opportunities and maintain a competitive advantage in an increasingly environmentally conscious market. Furthermore (Gitman & Zutter, 2019), revealed that an increased focus on environmental and social factors by institutional investors has also driven higher valuations for companies that demonstrate high sustainability performance.

Price to Book Value (PBV) is one of the most commonly used ratios to measure company value. As stated by (Berk & DeMarzo, 2019) which reveals that companies with higher sustainability ratings often trade with a high Price-to-Book (PBV) ratio. The concept known as sustainability has become a major focus in business strategy and corporate reporting. This is reflected in the paradigm shift from a ‘profit-only’ approach to a ‘triple bottom line’ approach. This approach balances aspects of economic performance, social performance, and environmental performance. According to Elkington (1997) in (Fuadah, Yuliani, & Safitri, 2018) the triple bottom line focuses corporations not only on the economic value they add, but also on the environmental and social value they add and destroy. In Indonesia, the practice of disclosing sustainability reports has become one of the important indicators for companies to demonstrate their commitment to sustainability issues.

The growing attention to sustainability was marked by the launch of the IDX ESG Leaders index, which highlights companies with a high and strong commitment to sustainability principles. The Indonesia Stock Exchange (IDX) launched the IDX ESG Leaders index on December 14, 2020, in response to the global trend of sustainable investment and to encourage responsible business practices. The index measures the price performance of stocks that have good Environmental, Social, and Governance (ESG) ratings and are not involved in significant controversies and have good transaction liquidity and financial performance. Since its launch in December 2020 until 2024, the IDX ESG Leaders index has shown attractive performance. For the record, throughout 2023, IDX ESG Leaders has posted a gain of 11% year-to-date (YTD) to 155.71. This performance is higher than the composite index which has gained 6.16% YTD.

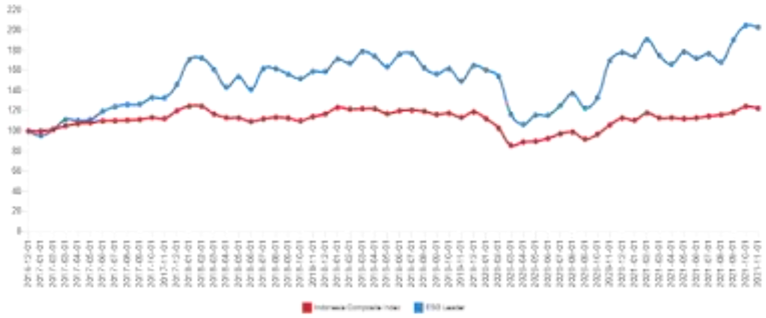

Figure 1. Composite Index vs ESG Leader
(**Source:** https://bgkesgindex.com/)

The movement of the IDX ESG Leaders index on the Indonesia Stock Exchange (IDX) from 2022 to 2024 showed significant development. In 2022, the index experienced high volatility, with fluctuating movements throughout the year. Although, there was a sharp decline in the middle of the year, the index was able to maintain its stability towards the end of 2022. This illustrates the resilience of the companies in the IDX ESG Leaders index to the economic challenges faced.

Figure 2. ESG Leaders Index Movement 2022-2024
(**Source:** https://www.tradingview.com/)

Sustainability reporting not only reflects corporate social responsibility, but also affects investor perceptions and firm value. According to Freeman's (1984) stakeholder theory, companies that consider the interests of all stakeholders tend to have better long-term performance. The relationship between sustainability report disclosure and firm value is not always linear, as factors such as firm size and leverage also play an important role. Firm size significantly affects firm value (Ross et al., 2019). Leverage, which reflects capital structure, affects firm performance and value at optimal levels that vary by industry, size and business cycle (Cheng & Tzeng, 2014). Leverage is used to increase potential returns for shareholders (Brealey, Myers, & Allen, 2014).

In addition, profitability, specifically Return on Assets (ROA), is a key indicator of the company's effectiveness in generating profits from its assets (Sugeng, 2017). The combination of these factors is important in determining the overall value of the company (Zakiah, Mawardi, & Hasanatina, 2023). Profitability affects the relationship between sustainability report disclosure and firm size. Companies with high profitability tend to be more active in disclosing sustainability reports because they have the capital and resources to implement and communicate these practices to stakeholders. Research by (Pakiding, Kampo, & Sucianto, 2024) shows that sustainability report disclosure has a significant positive effect on firm value, with profitability as a moderating variable. However, (Kampo, 2024) found that sustainability reports do not have a significant direct impact on firm value, but profitability moderates the relationship.

Companies with strong sustainability practices, large size, and optimal capital structure tend to have better profitability which contributes to higher firm value (Jihadi et al., 2021; Pertiwi, 2017). This research is important to examine the relationship and influence of sustainability report disclosure, firm size, and leverage on firm value with profitability as a mediating variable, especially in companies listed on the IDX ESG Leaders Index. The selection of this research object is based on the company's strong commitment to sustainability practices and large market capitalization, so that it can provide a comprehensive picture of the factors that influence firm value. The urgency of the research lies in its ability to bridge the gap between theory and practice.

II. LITERATURE REVIEW

2.1. Firm Value

Firm value reflects investors' perception of the company's success, which is often measured through the stock price as the main indicator. According to (Brigham & Houston, 2019) firm value is the present value of all future profits discounted at a risk-adjusted rate of return, illustrating how company performance affects market confidence. (Sartono, 2017) emphasizes the importance of maximizing firm value because this is in line with the main objective of increasing shareholder prosperity. In addition, Brealey in (Hirdinis, 2019) states that an increase in stock price reflects an increase in firm value, where large companies tend to be valued higher by the market due to the potential for favorable returns. Some commonly used indicators to measure firm value include Price Earnings Ratio (PER), Tobin's Q, and Price to Book Value (PBV). PBV compares the market value of equity to the book value of the company, showing how much the market values the book value of shares; a high PBV ratio signals market confidence in the company's prospects (Tandelilin, 2017).

2.2. Profitability

Profitability is the company's ability to generate profits in a certain period and is a key indicator of financial performance and efficiency of resource management (Hery, 2016). Profitability not only reflects the profit earned, but also illustrates the company's effectiveness in managing assets and working capital to achieve financial goals (Sihombing, 2025a). A high level of profitability indicates operational efficiency and growth potential, so as to form a positive investor perception of the company's long-term prospects (Asnawi & Wijaya, 2015). Return on Assets (ROA) which assesses the effectiveness of the use of assets in generating profits (Brigham & Houston, 2019; Hery, 2016; Kasmir, 2016). In this study, ROA was chosen as the main indicator because it provides an overview of how effectively the company manages its assets to obtain optimal profits; a high ROA value indicates good financial performance, while a low ROA indicates a lack of efficiency in asset utilization (Sihombing, 2025a).

2.3. Sustainability Report Disclosure

Sustainability report according to Elkington (2006) in (Makherta Sutadji et al., 2024) is a report that contains information not only about financial performance, but also the social and environmental aspects of the company, thus enabling sustainable growth. This report is intended not only for shareholders, but also for all stakeholders, in line with the principle of sustainable development defined in the Brundtland Report (1987) as development that meets the needs of the present without compromising the ability of future generations (Pertiwi, 2017). This concept is in line with Elkington's Triple Bottom Line (1997), which emphasizes the balance between people, planet, and profit aspects (Elkington, 2018). The Global Reporting Initiative (GRI) is an independent international organization that develops sustainability reporting standards to help companies and organizations communicate the economic, environmental and social impacts of their activities in a transparent and consistent manner to stakeholders (GRI, 2022). The GRI Standards consist of three main sets: Universal Standards that apply to all organizations, Sector Standards that are tailored to specific sector characteristics, and Topic Standards that govern disclosures related to specific issues such as climate change and human rights (GRI, 2022; GSSB, 2023).

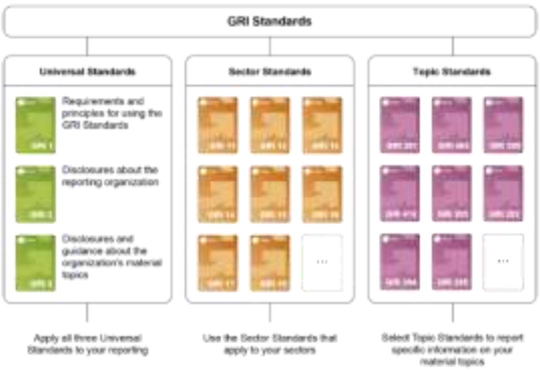

Figure 3. GRI Standards 2021

2.4. Firm Size

Firm size refers to the size of a business entity that can be measured through various indicators such as total assets, revenue, and equity (Brigham & Houston, 2019; Halim, 2015). Large companies tend to use more foreign capital due to the need for large operational funds, as well as having a strong position in market competition, wider access to funding, and better risk management capabilities (Brigham & Houston, 2019; Ross et al., 2019). In the perspective of signaling theory, company size is a positive signal to investors regarding the financial stability and growth prospects of the company, so large companies often receive premium valuations due to lower bankruptcy risk and more stable earnings (Hirdinis, 2019; Merkle & Sextroh, 2021). Firm size is usually measured by transforming total assets into natural logarithms to reduce excessive data fluctuations and simplify the value of large assets without changing their proportions (Jogiyanto, 2017; Merkle & Sextroh, 2021; Tingginehe & Kusumadewi, 2022). The commonly used formula is Firm Size = Ln (Total Assets), because total assets are considered more stable and reflect the company's overall resources than market capitalization or total sales.

2.5. Leverage

Leverage is a ratio that measures how much the company's assets are financed by debt (Kasmir, 2016; Sihombing, 2025b). This ratio shows the proportion of debt burden compared to the company's total assets, as well as the relationship between debt and equity. The use of leverage allows companies to finance operations and investments with borrowed funds, with the expectation that the return on investment is higher than the cost of debt. However, if the company fails to generate sufficient revenue to cover debt costs, the risk of bankruptcy increases, which can reduce investor confidence and create long-term liquidity and solvency problems (Hantono, 2020; Yunus, Noriska, Hartati, & Septyani, 2024). A commonly used leverage ratio is the Debt to Equity Ratio (DER), which measures the proportion of debt to equity with the formula DER = Total Debt / Equity (Brigham & Houston, 2019; Kasmir, 2016) DER provides an overview of the company's financial risk and capital structure; a high DER value indicates a heavy reliance on debt, resulting in increased financial risk, while a low DER indicates better financial stability (Devanti, Sugiharto, & Prihandyatama, 2023).

2.6. Framework

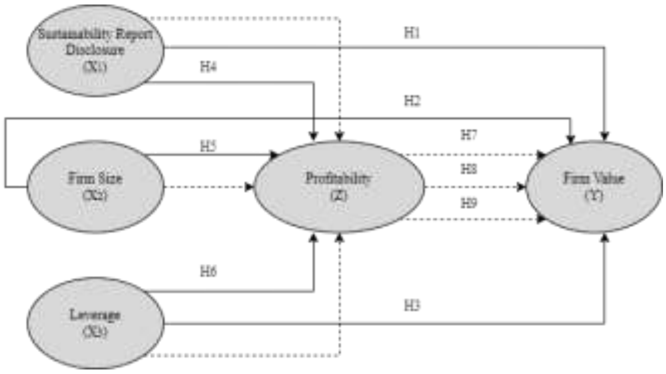

Figure 4. Framework

2.7. Hypothesis Development

2.7.1 The Effect of Sustainability Report Disclosure on Firm Value

Stakeholder theory asserts that companies should consider the interests of all stakeholders, including employees, customers, local communities, and the environment, not just shareholders. Meanwhile, signal theory explains that disclosure of sustainability reports serves as a positive signal that reduces information asymmetry between management and investors, signaling good management and long-term business sustainability, thereby increasing investor confidence and lowering investment risk, which ultimately drives up firm value. Various studies support the positive relationship between sustainability report disclosure and firm value. (Endiana & Suryandari, 2021) found that sustainability reports are important information in making investment decisions, in addition to short and long term profits. (Emeka-nwokeji & Osisioma, 2019) used Tobin's Q as a proxy for firm value and showed a significant positive effect of sustainability disclosure on firm value, recommending companies to strengthen sustainability practices for long-term value. Research by (Werastuti, Atmadja, & Adiputra, 2021) also confirms that investors utilize sustainability reports as value-added information that increases the company's market value. In addition, (Hardiningsih, Januarti, Yuyetta, Srimindarti, & Udin, 2020) showed that good sustainability disclosure improves financial performance as well as stakeholder and regulator trust, which contributes to an increase in firm value.

H1: Sustainability Report Disclosure has a positive effect on Firm Value.

2.7.2 The Effect of Firm Size on Firm Value

Firm Size is one of the company characteristics that can affect Firm Value. According to the Resource-Based View (RBV) theory, firm size reflects the availability and control of resources owned by the company. RBV theory emphasizes that competitive advantage and firm performance come from owning and managing resources that are valuable, rare, difficult to imitate, and cannot be replaced. Large companies generally have better access to strategic resources, whether in the form of financial resources, human resources, technology, or business networks. Empirical research supports the positive relationship between firm size and firm value. (Radja & Artini, 2020) found a significant relationship in consumer goods sector companies on the Indonesia Stock Exchange (IDX), where company size as measured by total assets, sales, or capital contributed to an increase in firm value. (Adiputra & Hermawan, 2020) also showed a significant positive effect of firm size on firm value using the SIZE proxy. In addition, (Diantimala, Syahnur, Mulyany, & Faisal, 2021) revealed that firm size strengthens the effect of capital structure on firm value in Indonesia, emphasizing the important role of firm size in the context of finance and market value.

H2: Firm Size has a positive effect on Firm Value.

2.7.3 The Effect of Leverage on Firm Value

Leverage is an important factor that affects firm value and is measured through the debt-to-equity ratio. Based on trade-off theory, companies seek to optimize leverage by balancing the tax benefits of debt and the risk of bankruptcy. The higher the leverage, the greater the tax benefits obtained through the reduction of debt interest expense, but the financial risk also increases. In the perspective of signal theory, an increase in leverage can be a positive signal to investors that the company has growth prospects and competent management, thus increasing the company's valuation (Sihombing, Hariandja, & Zakchona, 2025; Sihombing, Husni, & Zakchona, 2023). Empirical research shows results that tend to be negative regarding the effect of leverage on firm value. (Hermuningsih, Kusuma, Erawati, & Rahmawati, 2022) found that leverage has a negative effect on firm value in manufacturing companies on the Indonesia Stock Exchange, in line with the findings of (Ibrahim, 2020) who showed a significant negative effect of leverage on firm value on the Nigerian Stock Exchange. In addition, (Hardiningsih et al., 2020) revealed that leverage as measured by the ratio of debt to total assets also has a negative impact on firm value in a sample of 200 companies on the IDX during 2013-2021. This finding indicates that leverage is often a weak predictor or even detrimental to firm value if not managed carefully.

H3: Leverage has a negative effect on Firm Value.

2.7.4 The Effect of Sustainability Report Disclosure on Profitability

Sustainability Report disclosure is a form of the company's commitment to social and environmental responsibility which is increasingly important for stakeholders. Based on Stakeholder theory, companies are obliged to meet the needs and expectations of stakeholders, so that disclosure of sustainability reports can increase trust and build positive relationships that have the potential to increase profitability. From the perspective of Signal theory, Sustainability Report serves as a positive signal to the market and investors regarding the company's commitment to sustainability, reduces information asymmetry, and strengthens positive perceptions about the company's survival which has an impact on improving financial performance, especially profitability. Research supports a positive relationship between sustainability reporting and profitability. (Mufid & Bandi, 2023) showed a positive effect of financial performance on sustainability disclosure. (Anna & Dwi R.T, 2019) argued that disclosure of economic and environmental aspects in sustainability reports contributes to increased profitability as measured by Return on Assets (ROA) and Return on Equity (ROE). (Rachmat, Sumirat, & Nainggolan, 2024) also confirmed the positive correlation between detailed and reliable sustainability information and the financial performance of companies in Indonesia.

H4: Sustainability Report Disclosure has a positive effect on Profitability.

2.7.5 The Effect of Firm Size on Profitability

Firm size is an important factor that determines profitability, as large firms have the advantage of economies of scale and easier access to resources. According to the Resource-Based View (RBV) theory, large firm size reflects the ability to effectively manage and utilize financial, human, and technological resources to create superior products or services that can increase profitability. Various empirical studies support the positive effect of firm size on profitability. (Atiningsih & Izzaty, 2021) found that firm size contributes positively to Return on Assets (ROA) and Return on Equity (ROE), where large assets and high market capitalization increase profitability. (Ahmed, Sharif, Ali, & Hágen, 2023) showed a positive relationship between firm size proxied by total sales and profitability measured by ROA, Tobin's Q (TOBQ), and Earnings Per Share (EPS), as well as the important role of firm size in strengthening the effect of capital structure on profitability. (Akinyi & Oima, 2019) research on sugar companies in Western Kenya also revealed a significant effect of firm size on financial performance, recommending an increase in firm size to take advantage of economies of scale.

H5: Firm Size has a positive effect on Profitability.

2.7.6 The Effect of Leverage on Profitability

The effect of leverage on profitability describes the relationship between the use of debt and the company's ability to generate profits. Profitability is a key factor in determining a company's ability to bear the burden of debt, where companies with high profitability are better able to manage leverage optimally. From a signaling theory perspective, the use of high leverage can be a positive signal to the market that management is confident of future profit prospects, but this signal is effective only if investors believe that financial risks can be managed well; conversely, poorly managed leverage can create negative perceptions and reduce company performance. Empirical research supports the negative effect of leverage on profitability. (Bintara, 2020) found that leverage as measured by DER has a negative effect on profitability as measured by Return on Assets (ROA). (Mohammed & Hamza, 2020) also showed that financial leverage has a significant negative effect on ROA in industrial companies in Jordan. Furthermore, (Rahman, Saima, & Jahan, 2020) revealed a significant negative relationship between leverage and profitability of textile sector companies in Bangladesh, indicating that a high capital structure with debt can reduce company profitability.

H6: Leverage has a negative effect on Profitability.

2.7.7 Profitability in Mediating the Effect of Sustainability Report Disclosure on Firm Value

Sustainability report disclosure is an important indicator that shows the company's commitment to sustainability aspects and social and environmental responsibility to various stakeholders, in accordance with stakeholder theory which emphasizes the company's responsibility not only to shareholders but also other interested parties (Freeman, 1984). Profitability, which is usually measured through Return on Assets (ROA) acts as an important mediator in the relationship between sustainability report disclosure and firm value. Empirical research supports this mediating role of profitability. (Arif & Handayani, 2024) found that profitability mediates the relationship between environmental and social aspects in sustainability reports and firm value, emphasizing the importance of focusing on these aspects to attract investors and achieve sustainable growth. (Sholikhah & Khusnah, 2020) also showed that profitability as measured by ROA mediates the effect of sustainability reports on economic and environmental aspects on firm value, where good disclosure increases investor interest and stock prices, thereby increasing firm value.

H7: Profitability mediates the effect of Sustainability Report Disclosure on Firm Value.

2.7.8 Profitability in Mediating the Effect of Firm Size on Firm Value

The relationship between firm size and firm value can be mediated by profitability. Firm size reflects the strength and stability of the company which affects the perception of investors and stakeholders. Large companies that exhibit high profitability tend to attract investor attention and increase firm value, making profitability a significant mediator in the relationship between firm size and firm value. Empirical research supports this mediating role of profitability. (Octaviany, Hidayat, & Miftahudin, 2019) found that profitability mediates the effect of firm size on firm value, where large companies that successfully develop business and increase profits attract investors and increase stock prices. (Hasangapon, Iskandar, Purnama, & Tampubolon, 2021) also showed that profitability as measured by ROA mediates the relationship between firm size (total assets) and firm value (PBV). In addition, (Sudiyatno, Puspitasari, Suwarti, & Asyif, 2020) revealed that profitability acts as an intervening variable in mediating the relationship between firm size and firm value, with large companies that have sufficient capital for business expansion generating high profitability and receiving a positive response from the market.

H8: Profitability mediates the effect of Firm Size on Firm Value.

2.7.9 Profitability in Mediating the Effect of Leverage on Firm Value

Profitability acts as a mediator in the relationship between leverage and firm value, which can be explained through trade-off theory. Leverage allows companies to obtain tax benefits (tax shield) from debt interest payments, but profitability determines the extent to which companies can optimize their capital structure without facing bankruptcy risk. (Kartika Dewi & Abundanti, 2019) found that profitability (ROA) significantly mediates the effect of leverage (DER) on firm value (PBV) in consumer goods industry companies on the Indonesia Stock Exchange. (Yulimtinan & Atiningsih, 2021) also revealed that profitability is able to mediate the effect of leverage on firm value, with large asset companies maximizing their performance and profitability thereby increasing firm value, supporting signal theory which states that the use of debt to increase assets provides a positive signal to investors (Sihombing & Priambhodo, 2024) Furthermore, (Andriyanti & Debora, 2023) showed that profitability as measured by ROE mediates the effect of leverage (DER) on firm value (Tobin's Q), confirming that effective management of borrowed capital can increase return on capital and firm value.

H9: Profitability mediates the effect of Leverage on Firm Value.

III. RESEARCH METODOLOGY

3.1. Population and Sample

The research population is the entire subject or object that is the focus of the study, which has certain characteristics in accordance with the research objectives (Sugiyono, 2019). In this study, the population consists of companies listed in the IDX ESG Leaders index in 2024, with a total of 30 companies. The sample is part of the population selected to represent the characteristics of the entire population, used when researchers cannot access the entire population due to limited time, cost, or resources. The sampling technique used is purposive sampling, which is a non-random method that selects samples based on specific criteria relevant to the research objectives. Based on the criteria set, a sample of 14 companies was obtained that were consistently included in the IDX ESG Leaders index during the 2020-2023 period, so this sample was considered representative for research analysis.

3.2. Data Types and Data Collection Methods

This research uses secondary data as the main source with data collection techniques through documentation. Secondary data is obtained from indirect sources, where the researcher acts as a second party accessing information that already exists. The documentation technique is carried out by tracing and identifying official documents from various trusted sources, such as related institutions, agencies, or companies, so that the data obtained is relevant, accurate, and verified, supporting the validity and credibility of the research. In this study, financial data was obtained from the official website of the Indonesia Stock Exchange (www.idx.co.id), while sustainability report data was taken from the official website of companies listed in the IDX ESG Leaders index for the 2020-2023 period.

3.3. Data Analysis Method

3.3.1. Descriptive Analysis

Descriptive analysis is a statistical method used to present and describe data systematically. In this study, descriptive analysis is used to describe the characteristics of the independent variables, namely Sustainability Report Disclosure, Firm Size, and Leverage; the mediating variable Profitability; and the dependent variable Firm Value. Thus, this analysis helps provide an initial picture of the pattern, distribution, and tendency of the data which is the basis for further analysis in examining the relationship between these variables.

3.3.2. Panel Data Regression Analysis

Panel data regression analysis is a statistical method that combines time series and cross section data in one model, allowing the observation of changes in variables over time in the same individual as well as comparing between individuals. This approach provides significant advantages and is able to overcome the omitted-variable problem by accommodating unobserved individual heterogeneity. It also allows for more in-depth identification of dynamic effects and individual differences, and can be used to build complex behavioral models involving individual and time-specific variables. In practice, panel data regression analysis often uses estimation models such as Common Effect Model, Fixed Effect Model, and Random Effect Model, with appropriate model selection through Chow, Hausman, and Breusch-Pagan tests to ensure valid and reliable results.

3.3.3. Sobel Test

The Sobel test is a statistical method used to test the mediation hypothesis, namely to determine whether the intervening variable (mediation) significantly mediates the relationship between the independent variable (X) and the dependent variable (Y). The advantage of the Sobel test is its ability to simultaneously test direct and indirect effects. Thus, the Sobel test is an important tool in mediation analysis to understand the mechanism of the relationship between variables in research.

IV. RESULT AND DISCUSSION

4.1. IDX ESG Leaders Index

On December 14, 2022, the Indonesia Stock Exchange (IDX) officially launched the IDX ESG Leaders Index which contains stocks of companies with superior assessments in environmental, social, and governance aspects, as well as not being involved in major controversies and having good liquidity and financial performance. ESG assessment and controversy analysis is conducted by independent agency Sustainalytics, while the selection process uses the Capped Free Float Adjusted Market Capitalization Weighted Average and ESG Tilt Factored methodology with a maximum weight limit of 15% per share. Stock selection starts from IDX80 constituents that have an ESG risk score, then stocks with high controversy and heavy ESG risk are excluded, and from the remaining stocks, 15 to 30 stocks with the lowest ESG risk score are selected to enter the index. The index aims to provide sustainable investment guidance that not only prioritizes financial returns but also encourages companies to improve transparency, social responsibility, and good governance.

4.2. Descriptive Analysis

Table 1. Descriptive Statistics

	Firm Value (Y)	**Profitability (Z)**	**Sustainability Report Disclosure (X1)**	**Firm Size (X2)**	**Leverage (X3)**
Mean	2,303194	0,052374	0,560832	32,01318	2,242339
Median	1,460786	0,042259	0,582418	31,44914	1,073669
Maksimum	6,827717	0,169700	0,802198	35,31545	6,625971
Minimum	0,277672	0,003680	0,252747	29,54306	0,088160

Std. Deviation	1,751749	0,035402	0,135869	1,725075	2,128269

Source: EViews Output Results

4.3. Data Analysis Result

4.3.1. First Regression Model

Table 2. First Regression Model Selection Results

Test	Criteria	Statistic	Test Resut	Conclusion
Chow Test	*Cross-section Chi-Square*	144,2186	0,0000	FEM is the selected model
Hausman Test	*Cross- Section Random*	6,857073	0,0766	REM is the selected model
Langrange Multiplier	*Cross-Section Breuch Pagan*	58,12040	0,0000	REM is the selected model

Source: EViews Output Results

Table 3. Regression Model Output First Equation

	Coefficient	**t-Statistic**	**Probability**
Sustainability Report Disclosure (X1)	0,010725	0,143182	0,8867
Firm Size (X2)	510,3003	4,197844	0,0001
Leverage (X3)	0,965457	8,496066	0,0000
C	-15,65882	-4,093994	0,0001
R-Square	0,589637		
Adjusted R-Square	0,565962		
F- Statistic	24,90567		
Prob (F- Statistic)	0,000000		

Source: EViews Output Results

Based on the multiple regression results on IDX ESG Leaders index companies for the 2020-2023 period, it is found that Sustainability Report Disclosure has no significant effect on Firm Value with a regression coefficient of 0,010725 and a probability of 0,8867 (>0,05), although each one unit increase in this variable is assumed to increase Firm Value by 0,010725 units. In contrast, Firm Size has a significant positive effect on Firm Value with a coefficient of 510,3003 and a probability of 0,0001 (<0,05), and Leverage also has a significant positive effect on Firm Value with a coefficient of 0,965457 and a probability of 0,0000 (<0.05), which means that a one-unit increase in Firm Size and Leverage will increase Firm Value by 510,3003 and 0,965457 units respectively, assuming other variables are constant. This regression model explains 56,6% of the variation in Firm Value (adjusted R^2 = 0,565962), and the F test shows that simultaneously the three variables have a significant effect on Firm Value (F count = 24,90567 > F table = 2,7; significance 0,00 < 0,05).

4.3.2. Second Regression Model

Table 4. Second Regression Model Selection Results

Test	Criteria	Statistic	Test Resut	Conclusion
Chow Test	*Cross-section Chi-Square*	53,1930	0,0000	FEM is the selected model
Hausman Test	*Cross- Section Random*	17,8572	0,0005	FEM is the selected model

Source: EViews Output Results

Table 5. Regression Model Output Second Equation

	Coefficient	t-Statistic	Probability
Sustainability Report Disclosure (X1)	0,019939	2,058052	0,0463
Firm Size (X2)	64,47510	2,239247	0,0309
Leverage (X3)	0,037642	2,872470	0,0066
C	-1,976273	-2,191563	0,0344
R-Square	0,792471		
Adjusted R-Square	0,707331		
F- Statistic	9,307833		

Prob (F- Statistic)	0,000000

Source: EViews Output Results

Based on the regression results, Sustainability Report Disclosure has a significant positive effect on Profitability with a coefficient of 0,019939 and a probability of 0,0463 (<0,05), which means that every one unit increase in sustainability disclosure will increase profitability by 0,019939 units assuming other variables remain constant. Firm Size also has a significant positive effect on Profitability with a coefficient of 64,47510 and a probability of 0,0309 (<0,05), and Leverage has a significant positive effect with a coefficient of 0,037642 and a probability of 0,0066 (<0,05). This model explains 70,73% of the variation in profitability (adjusted R^2 = 0,707331), and the F test shows that simultaneously the three variables have a significant effect on profitability (F count = 9,307833 > F table = 2,79; significance 0,000 < 0,05).

4.3.3. Third Regression Model

Table 6. Third Regression Model Selection Results

Test	Criteria	Statistic	Test Resut	Conclusion
Chow Test	*Cross-section Chi-Square*	132,539	0,0000	FEM is the selected model
Hausman Test	*Cross- Section Random*	9,21673	0,0559	REM is the selected model
Langrange Multiplier	*Cross-Section Breuch Pagan*	45,3595	0,0000	REM is the selected model

Source: EViews Output Results

Table 7. Regression Model Output Third Equation

	Coefficient	t-Statistic	Probability
Sustainability Report Disclosure (X1)	-0,055426	-0,838649	0,4056
Firm Size (X2)	302,5514	2,852706	0,0062
Leverage (X3)	0,778733	7,510782	0,0000
Profitability (Z)	5,936618	4,385852	0,0001
C	-9,417427	-2,842832	0,0064
R-Square	0,674789		
Adjusted R-Square	0,649282		
F- Statistic	26,45527		
Prob (F- Statistic)	0,000000		

Source: EViews Output Results

Based on the regression results on IDX ESG Leaders index companies for the 2020-2023 period, Sustainability Report Disclosure does not have a significant effect on Firm Value with a negative coefficient of -0,055426 and a probability of 0,4056 (>0,05), which means that an increase in sustainability disclosure does not increase firm value and even tends to decrease it statistically insignificant. In contrast, Firm Size (coefficient 302,5514; p=0,0062), Leverage (coefficient 0,778733; p=0,0000), and Profitability (coefficient 5,936618; p=0,0001) have a significant positive effect on Firm Value, indicating that increased firm size, use of leverage, and better financial performance significantly increase firm value assuming other variables are constant. This regression model explains 64,92% of the variation in Firm Value (adjusted R^2 = 0,649282), and the F test shows a significant simultaneous effect of all these variables (F count = 26,45527 > F table = 2,56; p < 0,05).

4.3.4. Individual Parameter Significance Test (t Statistical Test)

Table 8. Results of t Test for the Effect of SRDI, Ln (Total Assets), and DER on PBV

	t Count	**t Table**	**Prob**	**Conclusion**
SRDI	0,143182	1,675	0,8867	Not Affected
Ln (Total assets)	4,197844	1,675	0,0001	Positively Affected Significant
DER	8,496066	1,675	0,0000	Positively Affected Significant

Source: Author, from the collection data

Table 9. The results of the t test of the effect of SRDI, Ln (Total Assets), and DER on ROA

	t Count	t Table	Prob	Conclusion
SRDI	2,058052	1,675	0,0463	Positively Affected Significant
Ln (Total assets)	2,239247	1,675	0,0309	Positively Affected Significant
DER	2,872470	1,675	0,0066	Positively Affected Significant

Source: Author, from the collection data

4.3.5. Sobel Test

Furthermore, to determine whether Profitability (Z) can act as a significant mediator in the relationship between the independent variables Sustainability Report Disclosure (X1), Firm Size (X2), and Leverage (X3) to the dependent variable Firm Value (Y), Sobel test is conducted. The principle of the Sobel test is to involve a comparison between the Z value of the calculated X1, X2, X3, and Y coefficients with the Z table value of 1.96. If the calculated Z value exceeds the Z table value, it can be concluded that there is a proven mediating effect (Ghozali & Ratmono, 2017). The following are the results of the Sobel test presented in the table below:

Table 10. Sobel Test Results

	Z-sobel	Z-count (1,96)	Conclusion
SRDI – ROA – PBV	1,8631	Smaller	Unable to mediate
Ln (Total assets) – ROA –PBV	1,9943	Larger	Able to mediate
DER – ROA – PBV	2,403	Larger	Able to mediate

Source: Author, from the collection data

4.4. Discussion

4.4.1. The Effect of Sustainability Report Disclosure on Firm Value

The results showed that Sustainability Report Disclosure has no significant effect on Firm Value in companies that are consistently included in the ESG Leaders index on the Indonesia Stock Exchange for the period 2020-2023, so hypothesis H1 is rejected. This finding is in line with the research of (Astuti, 2024; Pranoto & Marsono, 2023; Puspita & Budiasih, 2024), who also found an insignificant effect. According to stakeholder theory, the disclosure of sustainability reports aims to meet stakeholder expectations, but in ESG Leaders companies that have matured in ESG practices, investors no longer consider the report as a differentiator because the market has anticipated previous ESG performance (Tirta Wangi & Aziz, 2024). In the context of Indonesia's developing capital market, investors' preference for short-term financial performance is more dominant than long-term ESG performance (Agustine & Ratmono, 2024). The level of homogeneity of disclosure in ESG Leaders also causes the marginal effect of additional disclosure on firm value to be low, in contrast to companies with low initial transparency that tend to get a greater effect.

4.4.2. The Effect of Firm Size on Firm Value

The results showed that Firm Size has a significant positive effect on Firm Value in companies that are consistently included in the ESG Leaders index on the Indonesia Stock Exchange for the 2020-2023 period, so hypothesis H2 is accepted. This finding is in line with the research of (Hapsoro & Falih, 2020; Kartika Dewi & Abundanti, 2019; Radja & Artini, 2020), who also found a positive effect of Firm Size on Firm Value. Based on signaling theory, large company size is a positive signal for investors because it reflects good asset management and high transparency, thereby reducing information asymmetry and increasing market valuation (Putri Ananda & Sinaga, 2024). In addition, according to the resource-based view, large companies have a sustainable competitive advantage through abundant financial, technological and human resources to carry out sustainability and social responsibility initiatives in a mature manner. Therefore, large companies in the ESG Leaders index can utilize this strategic capital to improve performance and stakeholder trust, which ultimately drives sustainable growth in firm value (Ahmad & Setiorini, 2022). These findings confirm the importance of firm size and ESG commitment as key factors in management strategies and investment decisions in the era of sustainable finance.

4.4.3. The Effect of Leverage on Firm Value

The results showed that Leverage has a significant positive effect on Firm Value in companies that are consistently included in the ESG Leaders index on the Indonesia Stock Exchange for the 2020-2023 period, so hypothesis H3 is rejected. This finding is in line with the research of (Chandrawati & Sha, 2022; Harahap, Halim, & Indrawati, 2022; Jayanti & Candraningrat, 2024; Sihombing et al., 2023) who also found a positive effect of leverage on firm value. The theoretical explanation is supported by trade-off theory, where companies try to balance the tax-saving benefits of debt with the risk of financial distress. Companies with good ESG performance have a better ability to manage these risks so that they can optimize their capital structure to increase firm value (Adriyani & Prabowo, 2024). The unique characteristics of ESG Leaders companies, such as strong governance and high transparency, reduce information asymmetry and allow access to external funding at a lower cost, so leverage becomes a positive signal for investors. In addition, the use of debt by ESG Leaders firms reflects management's confidence in future prospects and the ability to generate sufficient cash flows to meet obligations (Sunjaya & Bertuah, 2024).

4.4.4. The Effect of Sustainability Report Disclosure on Profitability

The results showed that Sustainability Report Disclosure has a significant positive effect on profitability in companies that are consistently included in the ESG Leaders index on the Indonesia Stock Exchange for the period 2020-2023, so hypothesis H4 is accepted. This finding is in line with the research of (Budiana & Budiasih, 2020; Harfiani, 2020) who also found a positive effect of sustainability disclosure on financial performance. A high level of sustainability disclosure improves corporate social reputation, lowers agency costs, and strengthens customer loyalty, thereby strengthening stakeholder trust and long-term profitability. ESG Leaders companies integrate sustainability reporting as a business strategy that provides positive signals to the market regarding long-term commitment and social responsibility (Aritonang & Rahardja, 2022). From an agency theory perspective, sustainability practices help reduce conflicts between management and capital owners by aligning long-term goals, thereby creating sustainable firm value (Harfiani, 2020).

4.4.5. The Effect of Firm Size on Profitability

The results showed that Firm Size has a significant positive effect on Profitability in companies that are consistently included in the ESG Leaders index on the Indonesia Stock Exchange for the 2020-2023 period, so hypothesis H5 is accepted. This finding is in line with the research of (Julietha & Natsir, 2021; Luckieta, Amran, & Alamsyah, 2021) who also found a positive effect of Firm Size on Profitability. Based on signaling theory, large company size is a positive signal for investors because it reflects good asset management and high transparency, thereby reducing information asymmetry and increasing market valuation (Kusumaningrum & Iswara, 2022). From an agency theory perspective, large companies face more complex potential conflicts of interest so they need to disclose more information to reduce agency costs, strengthen investor confidence, and increase market value (Widowati & Mutmainah, 2023). In addition, according to the resource-based view, large companies have abundant financial, technological and human resources to carry out mature sustainability initiatives, which support ESG performance and stakeholder trust, thereby promoting sustainable growth in firm value (Windiarti, Machdar, & Husadha, 2024). Thus, large companies that consistently enter the ESG Leaders index are seen as more credible and a safe and high-value investment option.

4.4.6. The Effect of Leverage on Profitability

The results showed that Leverage has a significant positive effect on Profitability in companies that are consistently included in the ESG Leaders index on the Indonesia Stock Exchange for the period 2020-2023, so hypothesis H6 is rejected. This finding is in line with the research of (Adria & Susanto, 2020; Annisa, Ulupui, & Utaminingtyas, 2023; Helfiardi & Suhartini, 2021) who also found a positive effect of leverage on profitability. Theoretically, this can be explained through trade-off theory, where companies choose the optimal capital structure by balancing the tax benefits of debt and bankruptcy risk (Umdiana & Claudia, 2020). Large companies in the ESG Leaders index tend to have a good reputation, stable cash flow, and low bankruptcy risk, so they can optimize debt-based financing to increase Return on Assets (ROA). High debt use also serves as a management control mechanism, creating external pressure to be disciplined in the utilization of company funds to meet payment obligations (Aditomo & Indrabudiman, 2024). This is relevant for ESG Leaders companies that are under intense public scrutiny and have high expectations of sustainability and transparency. Leverage not only increases profitability, but also encourages the integration of ESG practices in business strategy, strengthening the company's value in the eyes of investors and stakeholders.

4.4.7. Profitability in Mediating the Effect of Sustainability Report Disclosure on Firm Value

Based on the test results on companies that are consistently included in the ESG Leaders index on the Indonesia Stock Exchange for the 2020-2023 period, profitability is unable to mediate the effect of Sustainability Report Disclosure on Firm Value, so hypothesis H7 is rejected. This finding supports the research of (Anna & Dwi R.T, 2019; Windiarti et al., 2024) who also found that profitability does not mediate the relationship. In theory, sustainability report disclosure should increase firm value through increased stakeholder trust and positive signals to investors (stakeholder and signaling theory). However, in ESG Leaders companies that already have high levels of sustainability disclosures and practices, additional disclosures no longer provide significant differentiating signals, so their impact on profitability and firm value becomes less effective (Tirta Wangi & Aziz, 2024). In other words, Sustainability Report Disclosure, which has become an industry standard for ESG Leaders companies, no longer contributes directly to increasing profitability or firm value, because the market has anticipated the information beforehand. This finding indicates that the effectiveness of sustainability disclosure in increasing firm value is contingent on the level of disclosure maturity and market characteristics.

4.4.8. Profitability in Mediating the Effect of Firm Size on Firm Value

Based on the test results, profitability is proven to be able to mediate the effect of Firm Size on Firm Value in companies that are consistently included in the ESG Leaders index on the Indonesia Stock Exchange, so hypothesis H8 is accepted. This finding supports the research of (Octaviany et al., 2019; Solikahan & Olii, 2022; Yulimtinan & Atiningsih, 2021) who also found the mediating role of profitability in the relationship. According to the resource-based view, large company size reflects the ability to efficiently access and manage internal resources, including capital, technology, and superior human resources, thus enabling economies of scale and strategic investments in sustainability practices that increase profitability. Profitability as a mediator shows that firm value is influenced not only directly by size, but also through financial performance that reflects the effectiveness of resource management by management, according to agency theory (C. M. Putri & Wiagustini, 2025). In the context of ESG Leaders, large companies that consistently adopt sustainability principles have a greater chance of improving operational efficiency and financial performance, with wider access to financing and lower capital costs, resulting in higher profitability (Rafi & Hadiprajitno, 2024). This finding confirms that growth in firm size should be accompanied by increased efficiency and profitability to generate optimal long-term value and strengthen valuations through lower perceived risk and positive growth prospects.

4.4.9. Profitability in Mediating the Effect of Leverage on Firm Value

Based on the test results, profitability is proven to be able to mediate the effect of Leverage on Firm Value in companies that are consistently included in the ESG Leaders index for the 2020-2023 period, so hypothesis H9 is accepted. This finding supports the research of (Harahap et al., 2022; P. A. Putri & Suarjaya, 2024; Risna & Putra, 2021) who also found that profitability is a significant mediator in the relationship between leverage and firm value. Theoretically, this result is in line with traditional capital structure theory and trade-off theory, which states that the use of debt provides tax benefits (tax shield) but must be balanced with the company's ability to maintain profitability so that the risk of bankruptcy does not increase (Bui, Nguyen, & Pham, 2023). According to signal theory, high profitability is a positive signal for investors because it shows the performance and stability of the company, while a decrease in profitability due to a heavy debt burden weakens the signal (Zakiah et al., 2023). In the context of Pecking Order theory, companies with strong financial positions tend to use internal funding first and only borrow when necessary (Brigham & Houston, 2019) so ESG Leaders companies must ensure that the increase in leverage is offset by adequate profitability so that the value of the company is not eroded. This finding confirms the importance of a sustainable financing strategy, where profitability is a key factor in maintaining and enhancing long-term firm value, and attracting investors with well-managed financial risks (Prabantama & Parasetya, 2022).

V. CONCLUSIONS

Based on the results of research on companies incorporated in the IDX ESG Leaders index for the period 2020-2023, it can be concluded that Sustainability Report Disclosure has no significant effect on Firm Value, but has a significant positive effect on Profitability, while Firm Size and Leverage both have a significant positive effect on Firm Value and Profitability. In addition, Profitability is proven to be able to mediate the effect of Firm Size and Leverage on Firm Value, but is unable to mediate the effect of Sustainability Report Disclosure on Firm Value. These findings suggest that while sustainability disclosure improves financial performance, its impact on firm value is indirect and may be limited to firms that already have mature ESG practices such as ESG Leaders. Therefore, company management is advised to continue to improve the quality of sustainability reports to support profitability, optimally utilize company scale and capital structure to strengthen firm value, and maintain profitability as a key factor in attracting investor interest.

REFERENCES

1) Adiputra, I. G., & Hermawan, A. (2020). The effect of corporate social responsibility, firm size, dividend policy and liquidity on firm value: Evidence from manufacturing companies in Indonesia. *International Journal of Innovation, Creativity and Change*, *11*(6), 325–338.
2) Aditomo, M. S., & Indrabudiman, A. (2024). Literatur Review :Kebijakan Hutang Terhadap Nilai Perusahaan, *06*(4), 11–22.
3) Adria, C., & Susanto, L. (2020). Pengaruh Leverage, Likuiditas, Ukuran Perusahaan, Dan Perputaran Total Aset Terhadap Profitabilitas. *Jurnal Paradigma Akuntansi*, *2*(1), 393. https://doi.org/10.24912/jpa.v2i1.7168
4) Adriyani, Z., & Prabowo, T. J. W. (2024). Pengaruh Praktik Pengungkapan ESG Terhadap Risiko Financial Distress Perusahaan Dengan Nilai Perusahaan Sebagai Variabel Mediasi, *13*(4), 1–15.
5) Agustine, Y. S., & Ratmono, D. (2024). Pengaruh Corporate Social Responsibility Terhadap Kinerja Keuangan. *Diponegoro*

Journal of Accounting, *13*(3), 1–14. https://doi.org/10.34209/equ.v22i1.897

6) Ahmad, K., & Setiorini, K. R. (2022). The Effect of Leverage, Company Size, and Sustainability Report Disclosure on Company Value with Board of Commissioners' Composition as Moderating Variables (Study on Manufacturing Company Winner of Asia Sustainability Reporting Rating (ASRRAT) 2020). *IJMA (Indonesian Journal of Management and Accounting)*, *5*(1), 24–38. Retrieved from https://ejournal.almaata.ac.id/index.php/IJMA/index
7) Ahmed, A. M., Sharif, N. A., Ali, M. N., & Hágen, I. (2023). Effect of Firm Size on the Association between Capital Structure and Profitability. *Sustainability (Switzerland)*, *15*(14), 1–17. https://doi.org/10.3390/su151411196
8) Akinyi, R. T., & Oima, D. O. (2019). Effect of Firm Size on Financial Performance of Sugar Firms in Western Kenya. *International Journal of Education and Research*, *7*(9), 211–218.
9) Andriyanti, M. T., & Debora. (2023). Profitability As A Mediateer Influence Of Leverage And Other Factors On Firm Value. *South East Asia Journal of Contemporary Business, Economics and Law*, *30*(1), 1–13.
10) Anna, Y. D., & Dwi R.T, D. R. (2019). Sustainability Reporting : Analisis Kinerja Keuangan dan Nilai Perusahaan. *Jurnal ASET (Akuntansi Riset)*, *11*(2), 238–255. https://doi.org/10.17509/jaset.v11i2.18804
11) Annisa, I., Ulupui, I., & Utaminingtyas, T. H. (2023). Pengaruh Pengungkapan Laporan Keberlanjutan, Profitabilitas, dan Leverage Terhadap Nilai Perusahaan. *Jurnal Revenue*, *4*, 327–341.
12) Arif, N. P., & Handayani, N. (2024). Financial Performance Mediates the Effect of Sustainability Reporting on Firm Value. *Jurnal Akuntansi Bisnis*, *22*(2), 188–219.
13) Aritonang, D. R., & Rahardja, L. (2022). Pengaruh Corporate Social Responsibility (CSR) terhadap Kinerja Keuangan pada Perusahaan Sektor Consumer Non-Cylicals dan Basic Material. *International Journal of Digital Entrepreneurship and Business*, *3*(2), 68–82. https://doi.org/10.52238/ideb.v3i2.96
14) Asnawi, K., & Wijaya, C. (2015). *Finon (Finance for Non Finance) Manajemen Keuangan untuk Non Keuangan*. Jakarta: Rajawali Pers.
15) Astuti, M. (2024). The Effect of Sustainability Report Disclosure on Company Value 2017 - 2019 (The Effect of Sustainability Report Disclosure on Firm Value). *Budapest International Research and Critics Institute-Journal (BIRCI-Journal)*, *7*(2), 371–388. https://doi.org/10.17342/kij.2023.134.3
16) Atiningsih, S., & Izzaty, K. N. (2021). The Effect Firm Size on Company Value With Profitability As Intervening Variable and Dividend Policy As Moderating Variable. *International Journal of Economics, Business and Accounting Research (IJEBAR)*, *5*(4), 378–388. Retrieved from https://jurnal.stie-aas.ac.id/index.php/IJEBAR
17) Berk, J., & DeMarzo, P. (2019). *Corporate Finance - 5th Global Edition*. Pearson Education.
18) Bintara, R. (2020). The Effect of Working Capital, Liquidity and Leverage on Profitability. *Saudi Journal of Economics and Finance*, *04*(01), 28–35. https://doi.org/10.36348/sjef.2020.v04i01.005
19) Brealey, R. A., Myers, S. C., & Allen, F. (2014). *Principles of Corporate Finance*. New York: McGraw-Hill Education.
20) Brigham, E., & Houston, J. (2019). *Fundamentals of Financial Management, 15th edition*. Boston: Cengage Learning.
21) Budiana, Q. A., & Budiasih, I. G. A. N. (2020). Profitabilitas Sebagai Pemoderasi Pengaruh Pengungkapan Sustainability Reporting Pada Nilai Perusahaan Pemenang Indonesian Sustainability Reporting Awards. *E-Jurnal Akuntansi*, *30*(3), 662. https://doi.org/10.24843/eja.2020.v30.i03.p09
22) Bui, T. N., Nguyen, X. H., & Pham, K. T. (2023). The Effect of Capital Structure on Firm Value: A Study of Companies Listed on the Vietnamese Stock Market. *International Journal of Financial Studies*, *11*(3). https://doi.org/10.3390/ijfs11030100
23) Chandrawati, D., & Sha, T. L. (2022). Pengaruh Profitability, Leverage, Firm Size, Dan Dividend Policy Terhadap Firm Value. *Jurnal Paradigma Akuntansi*, *4*(1), 150–158. https://doi.org/10.24912/jpa.v4i1.17052
24) Cheng, M. C., & Tzeng, Z. C. (2014). Effect of leverage on firm market value and how contextual variables influence this relationship. *Review of Pacific Basin Financial Markets and Policies*, *17*(1), 1–63. https://doi.org/10.1142/S0219091514500040
25) Devanti, D. A., Sugiharto, & Prihandyatama, A. (2023). Analisis Pengaruh Struktur Modal Terhadap Profitabilitas Perusahaan Yang Terdaftar di BEI. *Jurnal Ilmiah Akuntansi Dan Keuangan*, *6*(2), 2023. Retrieved from https://www.journal.ikopin.ac.id/index.php/fairvalue/article/view/3859
26) Diantimala, Y., Syahnur, S., Mulyany, R., & Faisal, F. (2021). Firm Size Sensitivity on The Correlation Between Financing Choice and Firm Value. *Cogent Business and Management*, *8*(1). https://doi.org/10.1080/23311975.2021.1926404
27) Elkington, J. (2018). 25 Years Ago I Coined the Phrase "Triple Bottom Line" Here's Why It's Time to Rethink It. *Harvard Business Review*, 1–5. Retrieved from https://hbr.org/2018/06/25-years-ago-i-coined-the-phrase-triple-bottom-line-heres-why-im-giving-up-on-it

28) Emeka-nwokeji, N., & Osisioma, B. C. (2019). Sustainability Disclosures and Market Value of Firms in Emerging Sustainability Disclosures and Market Value of Firms in Emerging Economy : Evidence From Nigeria. *European Journal of Accounting, Auditing and Finance Research*, *3*(7), 1–19.
29) Endiana, I. D. M., & Suryandari, N. N. A. (2021). Value Relevance of Sustainability Report: Evidence From Indonesia. *Jurnal Akuntansi Dan Keuangan Indonesia*, *18*(2), 168–182. https://doi.org/10.21002/jaki.2021.09
30) Fuadah, L. L., Yuliani, & Safitri, R. H. (2018). *Pengungkapan Sustainablity Reporting di Indonesia*. *Citrabooks Indonesia*. Palembang.
31) Ghozali, I., & Ratmono, D. (2017). *Analisis Multivariat dan Ekonometrika: Teori Konsep dan Aplikasi dengan EViews 10*. Semarang: Badan Penerbit Universitas Diponegoro.
32) Gitman, L. J., & Zutter, C. J. (2019). *Principles of Managerial Finance, 15th Edition*. Pearson Education.
33) GRI. (2022). GRI Universal Standards 2021.
34) GSSB. (2023). GRI 3: Topik Material 2021 Standar Universal.
35) Halim, A. (2015). *Manajemen Keuangan Bisnis*. Bogor: Ghalia Indonesia.
36) Hantono. (2020). Pengaruh Likuiditas, Leverage dan Modal Kerja terhadap Profitabilitas Pada Perusahaan Transportasi yang Terdaftar di Bursa Efek Indonesia pada Periode 2014-2018. *Jurnal of Accounting & Management Innovation*, *4*(1), 37–46.
37) Hapsoro, D., & Falih, Z. N. (2020). The Effect of Firm Size, Profitability, and Liquidity on The Firm Value Moderated by Carbon Emission Disclosure. *Journal of Accounting and Investment*, *21*(2). https://doi.org/10.18196/jai.2102147
38) Harahap, R. M., Halim, E. H., & Indrawati, N. (2022). Analisis Pengaruh Leverage Dan Ukuran Perusahaan Terhadap Nilai Perusahaan Dengan Profitabilitas Sebagai Variabel Mediasi. *Jurnal Administrasi Bisnis Terapan*, *5*(1), 85–108. https://doi.org/10.7454/jabt.v5i1.1040
39) Hardiningsih, P., Januarti, I., Yuyetta, E. N. A., Srimindarti, C., & Udin, U. (2020). The effect of sustainability information disclosure on financial and market performance: empirical evidence from Indonesia and Malaysia. *International Journal of Energy Economics and Policy*, *10*(2), 18–25. https://doi.org/10.32479/ijeep.8520
40) Harfiani, N. A. (2020). Pengaruh Pengungkapan Sustainability Reporting Terhadap Profitabilitas Dan Dampaknya Pada Nilai Perusahaan. *Jurnal Riset Mahasiswa (BRAINY)*, *1*(2), 22–36.
41) Hasangapon, M., Iskandar, D., Purnama, E. D., & Tampubolon, L. D. (2021). The Effect Of Firm Size And Total Assets Turnover (Tato) On Firm Value Mediated By Profitability In Wholesale And Retail Sector Companies. *Primanomics : Jurnal Ekonomi & Bisnis*, *19*(3), 49–63. https://doi.org/10.31253/pe.v19i3.635
42) Helfiardi, R. D., & Suhartini, S. (2021). Pengaruh Leverage dan Ukuran Perusahaan terhadap Profitabilitas pada Perusahaan Sub Sektor Barang Makanan dan Minuman yang Terdaftar di Bursa Efek Indonesia Tahun 2015-2020. *Akuntabel*, *18*(3), 516–523. Retrieved from https://download.garuda.kemdikbud.go.id/article.php?article=3275600&val=11261&title=Pengaruh leverage dan ukuran perusahaan terhadap profitabilitas pada perusahaan sub sektor barang makanan dan minuman yang terdaftar di bursa efek indonesia tahun 2015-202
43) Hermuningsih, S., Kusuma, H., Erawati, T., & Rahmawati, A. D. (2022). Fundamental aspects of leverage, profitability and financial distress as mediating variables that influence firm value. *Jurnal Akuntansi & Auditing Indonesia*, *26*(2), 130–144. https://doi.org/10.20885/jaai.vol26.iss2.art3
44) Hery. (2016). *Analisis Laporan Keuangan*. Jakarta: Grasindo.
45) Hirdinis, M. (2019). Capital structure and firm size on firm value moderated by profitability. *International Journal of Economics and Business Administration*, *7*(1), 174–191. https://doi.org/10.35808/ijeba/204
46) Ibrahim, U. A. (2020). Effect of Financial Leverage on Firm Value: Evidence From Selected Firms Quoted on the Nigerian Stock Exchange. *European Journal of Business and Management*, (May). https://doi.org/10.7176/ejbm/12-3-16
47) Jayanti, I. G. A. A. M., & Candraningrat, I. R. (2024). Pengaruh Leverage, Ukuran Perusahaan, Struktur Aset Dan Profitabilitas Terhadap Nilai Perusahaan Food and Beverage. *E-Jurnal Ekonomi Dan Bisnis Universitas Udayana*, *13*(5), 895–906. https://doi.org/10.24843/eeb.2024.v13.i05.p04
48) Jihadi, M., Vilantika, E., Hashemi, S. M., Arifin, Z., Bachtiar, Y., & Sholichah, F. (2021). The Effect of Liquidity, Leverage, and Profitability on Firm Value: Empirical Evidence from Indonesia. *Journal of Asian Finance, Economics and Business*, *8*(3), 423–431. https://doi.org/10.13106/jafeb.2021.vol8.no3.0423
49) Jogiyanto, H. (2017). *Teori portofolio dan analisis investasi (edisi Kesebelas)*. Yogyakarta: BPFE.
50) Julietha, R., & Natsir, K. (2021). Pengaruh Likuiditas, Solvabilitas, Firm Size, Dan. *Jurnal Manajerial Dan Kewirausahaan*,

III(2), 443–452. Retrieved from www.idx.co.id

51) Kampo, K. (2024). The Influence of Profitability in Moderating the Impact of Sustainability Report on Firm Value. *JManagER*, *03*(02), 10–19. Retrieved from http://ojs.feb.uajm.ac.id/index.php/jmer/article/view/490
52) Kartika Dewi, N. P. I., & Abundanti, N. (2019). Pengaruh Leverage Dan Ukuran Perusahaan Terhadap Nilai Perusahaan Dengan Profitabilitas Sebagai Variabel Mediasi. *E-Jurnal Manajemen Universitas Udayana*, *8*(5), 3028.
53) Kasmir. (2016). *Analisis Laporan Keuangan*. Jakarta: Raja Grafindo Persada.
54) Kusumaningrum, D. P., & Iswara, U. S. (2022). Pengaruh Profitabilitas, Leverage, dan Ukuran Perusahaan Terhadap Nilai Perusahaan. *Jurnal Ilmiah Akuntansi Dan Keuangan (JIAKu)*, *1*(3), 295–312. https://doi.org/10.24034/jiaku.v1i3.5509
55) Luckieta, M., Amran, A., & Alamsyah, D. P. (2021). Pengaruh DAR dan Ukuran Perusahaan Terhadap ROA Perusahaan yang Terdaftar Di LQ45 Pada BEI. *Jurnal Perspektif*, *19*(1), 17–23. https://doi.org/10.31294/jp.v19i1.9235
56) Makherta Sutadji, I., Agus Setiyaningsih, T., Shofiatul Jannah, B., Gunawan, A., Trawally Sawo, M., & Indriastuty, N. (2024). Studi Komparasi Pengungkapan Sustainability Report Dan Kontribusinya Terhadap Sustainable Development Goals (Study Pada Sektor Perbankan Di Indonesia). *Jurnal KRISNA: Kumpulan Riset Akuntansi*, *16*(1), 2024–2086. Retrieved from https://doi.org/10.22225/kr.16.1.2024.87-101
57) Merkle, C., & Sextroh, C. J. (2021). Value and momentum from investors' perspective: Evidence from professionals' risk-ratings. *Journal of Empirical Finance*, *62*(January), 159–178. https://doi.org/10.1016/j.jempfin.2021.03.004
58) Mohammed, Z., & Hamza, A. (2020). The Impact of Liquidity and Financial Leverage on Profitability: The Case of Listed Jordanian Industrial Firm's. *International Journal of Business and Digital Economy*, *1*(4), 29–35. Retrieved from https://www.researchgate.net/publication/347510749
59) Mufid, I. F. R., & Bandi. (2023). The Effect Of Disclosure Of Sustainability Reports And Corporate Governance On The Financial Performance Of Companies In The Asean Region. *Jurnal Ekonomi*, *12*(02), 2023. Retrieved from http://ejournal.seaninstitute.or.id/index.php/Ekonomi
60) Octaviany, A., Hidayat, S., & Miftahudin. (2019). Pengaruh Ukuran Perusahaan dan Leverage terhadap Nilai Perusahaan dengan Profitabilitas sebagai Variabel Intervening. *Jurnal Riset Inspirasi Manajemen Dan Kewirausahaan*, *3*(1), 30–36. Retrieved from https://conferences.unusa.ac.id/index.php/NCU2020/article/view/625
61) Pakiding, D. L., Kampo, K., & Sucianto, M. D. (2024). The Effect of Sustainability Report Disclosure and Company Size on Company Value with Profitability as a Moderation Variable. *Contemporary Journal on Business and Accounting*, *4*(1), 15–28. https://doi.org/10.58792/cjba.v4i1.47
62) Pertiwi, N. (2017). *Implementasi Sustainable Development di Indonesia*. *Pustaka Ramadhan*. Bandung: Pustaka Ramadhan.
63) Prabantama, H. P., & Parasetya, M. T. (2022). Pengaruh Profitabilitas Dan Tata Kelola Perusahaan Terhadap Nilai Perusahaan Dengan Pengungkapan Corporate Social Responsibility Sebagai Variabel Intervening Studi Empiris pada Perusahaan Sektor Barang Konsumsi Primer yang Terdaftar di Bursa Efek Indonesi. *Diponegoro Journal of Accounting*, *11*(4), 1–14. Retrieved from http://ejournal-s1.undip.ac.id/index.php/accounting
64) Pranoto, A. R. L., & Marsono. (2023). Pengaruh Sustainability Reporting Terhadap Firm Value Dengan Kapitalisasi Pasar Sebagai Pemoderasi (Studi pada Perusahaan dalam Indeks IDX SRI-Kehati yang Menerbitkan Sustainability Report pada Tahun 2017-2021). *Diponegoro Journal of Accounting*, *12*(4), 1–15. Retrieved from http://ejournal-s1.undip.ac.id/index.php/accounting
65) Puspita, N. W. I., & Budiasih, I. G. A. N. (2024). Ukuran Perusahaan sebagai Pemoderasi Pengaruh Sustainability Reporting pada Nilai Perusahaan. *E-Jurnal Akuntansi*, *34*(11), 2971–2980. https://doi.org/10.24843/EJA.2024.v34.i11.p19
66) Putri Ananda, & Sinaga, M. (2024). Pengaruh Intellectual Capital, Kepemilikan Manajerial, Firm Size, Ukuran Komite Audit Terhadap Nilai Perusahaan. *Menawan : Jurnal Riset Dan Publikasi Ilmu Ekonomi*, *2*(5), 358–376. https://doi.org/10.61132/menawan.v2i5.860
67) Putri, C. M., & Wiagustini, N. L. P. (2025). Pengaruh Leverage dan Ukuran Perusahaan Terhadap Nilai Perusahaan Dengan Profitabilitas Sebagai Pemediasi, *14*(4), 219–234.
68) Putri, P. A., & Suarjaya, A. A. G. (2024). Peran Profitabilitas Memediasi Pengaruh Leverage Dan Pertumbuhan Perusahaan Terhadap Nilai Perusahaan. *E-Jurnal Manajemen Universitas Udayana*, *13*(6), 1026. Retrieved from https://ojs.unud.ac.id/index.php/manajemen/article/view/105138
69) Rachmat, L. M., Sumirat, E., & Nainggolan, Y. A. (2024). The Influence of Sustainability Disclosure on Financial Performance: A Study of Indonesian Firms. *International Journal of Current Science Research and Review*, *07*(03), 1857–1879. https://doi.org/10.47191/ijcsrr/v7-i3-48

70) Radja, F. L., & Artini, L. G. S. (2020). The Effect Of Firm Size, Profitability and Leverage on Firm Value (Study on Manufacturing Companies Sector Consumer Goods Industry Listed in Indonesian Stock Exchange Period 2017-2019). *International Journal of Economics and Management Studies*, *7*(11), 18–24. https://doi.org/10.2991/aebmr.k.200415.028
71) Rafi, M., & Hadiprajitno, P. T. B. (2024). Analisis Pengaruh Enviromental, Social, dan Governance (ESG) Terhadap Nilai Perusahaan (Studi Empiris pada Industri Tekstil di Indonesia di BEI Periode Tahun 2020-2023), *13*(2021), 1–12.
72) Rahman, M., Saima, F. N., & Jahan, K. (2020). The Impact of Financial Leverage on Firm's Profitability: An Empirical Evidence from Listed Textile Firms of Bangladesh. *Journal of Business Economics and Environmental Studies*, *10*(2), 23–31. https://doi.org/10.13106/jbees.2020.vol10.no2.23
73) Risna, L. G., & Putra, R. A. K. (2021). Pengaruh Ukuran Perusahaan dan Leverage Terhadap Kinerja Keuangan Perusahaan Pada Perusahaan Otomotif dan Komponen yang Terdaftar di BEI. *Procuratio: Jurnal Ilmiah Manajemen*, *9*(2), 141–155. Retrieved from http://www.ejournal.pelitaindonesia.ac.id/ojs32/index.php/PROCURATIO/index
74) Ross, S. A., Westerfield, R. W., & Jordan, B. D. (2019). *Fundamentals of Corporate Finance (12th ed.)*. New York: McGraw-Hill Education.
75) Sartono, A. (2017). *Manajemen Keuangan Teori dan Aplikasi Edisi 4*. Yogyakarta: BPFE.
76) Sholikhah, P., & Khusnah, H. (2020). Sustainability Reporting terhadap Nilai Perusahaan: dengan Kinerja Keuangan sebagai Variabel Intervening pada Perusahaan Non Keuangan yang Terdaftar di Bursa Efek Indonesia Periode 2016-2019. *Prosiding National Conference for Ummah*, *1*(1), 1–8. Retrieved from https://conferences.unusa.ac.id/index.php/NCU2020/article/view/625
77) Sihombing, P. (2025a). *Perilaku Keuangan: Teori dan Studi Kasus Dalam Pengambilan Keputusan Finansial*. Bogor: PT Penerbit IPB Press.
78) Sihombing, P. (2025b). *Strategi Analisis Laporan Keuangan*. Bogor: PT Penerbit IPB Press.
79) Sihombing, P., Hariandja, N. M., & Zakchona, E. (2025). Optimal Capital Structure to Increase Indonesia Firm Value. *Montenegrin Journal of Economics*, *21*(3), 97–110. https://doi.org/10.14254/1800-5845/2025.21-3.8
80) Sihombing, P., Husni, R. A., & Zakchona, E. (2023). Financial Ratios and Institutional Ownership Impact on Healthcare Firm's Value: A Moderation Role of Leverage. *Jurnal Ekonomi Dan Bisnis*, *26*(2), 431–448. https://doi.org/10.24914/jeb.v26i2.9372
81) Sihombing, P., & Priambhodo, Y. D. (2024). The Effect of Coal Production, Profitability, Leverage, Newcastle Price on Firm Value with Renewable Energy Moderation. *Research of Economics and Business*, *2*(1), 25–38. https://doi.org/10.58777/reb.v2i1.203
82) Solikahan, E. Z., & Olii, N. (2022). Nilai Perusahaan Dan Profitabilitas Sebagai Variabel Interpening : Studi Pada Perusahaan Sektor Industri Barang Konsumsi yang Terdaftar di Bursa Efek Indonesia Abstrak. *Jurnal Manajemen & Bisnis*, *5*(1), 130–139.
83) Sudiyatno, B., Puspitasari, E., Suwarti, T., & Asyif, M. M. (2020). Determinants of Firm Value and Profitability: Evidence from Indonesia. *Journal of Asian Finance, Economics and Business*, *7*(11), 769–778. https://doi.org/10.13106/jafeb.2020.vol7.no11.769
84) Sugeng, B. (2017). *Manajemen Keuangan Fundamental*. Yogyakarta: Deepublish Publisher.
85) Sugiyono. (2019). *Metodelogi Penelitian Kuantitatif dan Kualitatif Dan R&D*. Bandung: ALFABETA.
86) Sunjaya, R., & Bertuah, E. (2024). Meningkatkan Nilai Perusahaan : Peran Strategis Kepemilikan Institusional, Leverage Keuangan dan Kebijakan Dividen di Perusahaan Indonesia, *10*(4), 860–875.
87) Tandelilin, E. (2017). *Pasar Modal : Manajemen Portofolio & Investasi*. Yogyakarta: Konisius.
88) Tingginehe, C. S. M. W., & Kusumadewi, R. K. A. (2022). Pengaruh Kompensasi Direktur, Ukuran Perusahaan dan Pertumbuhan Perusahaan Terhadap Manajemen Laba Pada Perusahaan Publik Di Indonesia (Studi Empiris pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Tahun 2016-2018). *Diponegoro Journal of …*, *11*, 1–15. Retrieved from https://ejournal3.undip.ac.id/index.php/accounting/article/view/33876%0Ahttps://ejournal3.undip.ac.id/index.php/accounting/article/download/33876/26842
89) Tirta Wangi, G., & Aziz, A. (2024). Analisis Pengaruh ESG Disclosure, Likuiditas, Dan Profitabilitas Terhadap Nilai Perusahaan Pada Perusahaan Yang Terdaftar Di Indeks ESG Leaders. *Ikraith-Ekonomika*, *7*(2), 221–230. https://doi.org/10.37817/ikraith-ekonomika.v7i2.3351
90) Umdiana, N., & Claudia, H. (2020). Analisis Struktur Modal Berdasarkan Trade Off Theory. *Jurnal Akuntansi : Kajian Ilmiah Akuntansi*, *7*, 12–16. https://doi.org/10.4324/9781003016380-3

91) Werastuti, D. N. S., Atmadja, A. T., & Adiputra, I. M. P. (2021). Value Relevance of Sustainability Report and Its Impact on Value of Companies. *Advances in Economics, Business and Management Research*, *197*(Teams), 257–267. https://doi.org/10.2991/aebmr.k.211124.038
92) Widowati, W. W., & Mutmainah, S. (2023). Faktor-faktor yang Memengaruhi Pengungkapan Laporan Keberlanjutan (Studi Empiris pada Perusahaan yang Terdaftar pada Bursa Efek Indonesia Periode 2018 - 2020). *Diponegoro Journal of Accounting*, *12*(1), 1–15. Retrieved from https://ejournal3.undip.ac.id/index.php/accounting/article/view/37821
93) Windiarti, N. P., Machdar, N. M., & Husadha, C. (2024). Pengaruh Sustainability Report Dan Intellectual Capital Terhadap Nilai Perusahaan Dengan Profitabilitas Sebagai Variabel Intervening Pada Perusahaan Manufaktur. *SENTRI: Jurnal Riset Ilmiah*, *3*(2), 1122–1133. https://doi.org/10.55681/sentri.v3i2.2346
94) Yulimtinan, Z., & Atiningsih, S. (2021). Leverage Ukuran Perusahaan Pertumbuhan Penjualan Terhadap Nilai Perusahaan Dengan Profitabilitas Sebagai Variabel Mediasi. *Balance : Jurnal Akuntansi Dan Bisnis*, *6*(1), 69. https://doi.org/10.32502/jab.v6i1.3422
95) Yunus, M. H., Noriska, N. K. S., Hartati, S., & Septyani, D. (2024). Priciples Of Financial Management : Operational Leverage And Financial Leverage. *International Journal of Economic Literature (INJOLE)*, *2*(11), 3441–3453.
96) Zakiah, Mawardi, W., & Hasanatina, F. H. (2023). Pengaruh Profitabilitas, Leverage, Likuiditas, dan Ukuran Perusahaan Terhadap Nilai Perusahaan (Studi pada Perusahaan Manufaktur yang Terdaftar di BEI Periode 2016-2021). *Diponegoro Journal of Management*, *12*(3), 1–13. Retrieved from https://ejournal3.undip.ac.id/index.php/djom/article/view/41771