

ESG disclosure, capital structure, and profitability in explaining firm value of Indonesia's IDX ESG Leaders: Some notes from Islamic finance perspectives

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ABSTRACT

Introduction

The increasing importance of sustainability and responsible investment has led to growing attention to environmental, social, and governance disclosure in global markets. In Indonesia, the establishment of the IDX ESG Leaders index provides a relevant platform to evaluate how such disclosure, alongside financial fundamentals, contributes to firm value. Despite expectations that non-financial transparency enhances valuation, empirical findings in emerging markets remain inconsistent, warranting further investigation.

Objectives

This study examines the effects of environmental, social, and governance disclosure and capital structure on firm value among firms listed in the IDX ESG Leaders index from 2020 to 2023. It also explores whether profitability moderates these relationships by strengthening or weakening their impact on valuation.

Method

The research adopts a quantitative approach using panel data regression with 68 firm-year observations from 17 IDX ESG Leaders firms. ESG disclosure indices were constructed through content analysis of annual and sustainability reports, while financial data were obtained from audited statements. Profitability, proxied by return on assets, was incorporated as a moderating variable through moderated regression analysis to identify conditional effects.

Results

The findings reveal that environmental and social disclosure do not

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directly influence firm value, while governance disclosure exerts a significant negative effect. Capital structure shows a strong positive impact, and profitability both directly enhances firm value and moderates certain relationships. Specifically, profitability weakens the effect of social disclosure but strengthens the influence of capital structure, suggesting that investors prioritize financial fundamentals over non-financial reporting.

Implications

The results highlight the conditional relevance of ESG disclosure in emerging markets and reinforce the continuing importance of profitability and capital structure. Theoretically, the study challenges the universality of stakeholder and signaling theories by revealing context-dependent effects. Practically, it provides guidance for managers to align disclosure with financial strength and for policymakers to strengthen ESG reporting standards.

Originality/Novelty

This study contributes to the literature by disaggregating ESG disclosure into environmental, social, and governance dimensions and incorporating profitability as a moderating variable. It provides new evidence from Indonesia's capital market, offering insights into how non-financial transparency interacts with financial strategies to shape firm value.

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INTRODUCTION

The integration of Environmental, Social, and Governance (ESG) principles into corporate strategy has become a defining theme in contemporary business and finance. In emerging markets, particularly Southeast Asia, ESG disclosures increasingly influence firm valuation as companies balance growth with sustainable practices. This region's rapid economic development, combined with intensifying global scrutiny, compels firms to adopt disclosure practices that meet both domestic expectations and international standards. Empirical evidence highlights that enhanced ESG disclosures can strengthen investor trust, improve reputation, and contribute positively to financial performance (Abideen, 2025; Aboud & Diab, 2018; Wijayanto et al., 2024). However, the mechanisms through which ESG information translates into firm value remain contested, especially in economies where regulatory regimes and capital markets are still evolving.

The growing importance of ESG disclosure is also reflected in the rising demand from institutional investors for transparency in corporate behavior. Southeast Asian firms that disclose ESG practices often benefit from improved reputations and stronger

investor relations, which, in turn, enhance long-term competitiveness (Fauziah et al., 2024; Habib et al., 2025). Positive investor sentiment toward sustainability reporting has been shown to lower financing costs and bolster market valuations (Eng et al., 2022; Yu et al., 2018). Conversely, firms neglecting ESG practices may face reputational damage, reduced investor confidence, and higher risk exposure (Habib et al., 2025). These dynamics underscore the critical role of disclosure as both a strategic resource and a risk management tool. At the same time, regulatory frameworks in Southeast Asia are evolving, introducing both opportunities and compliance challenges (Fajrin et al., 2022).

Despite broad acknowledgment of ESG's significance, several research questions remain unresolved. Prior studies suggest positive associations between ESG disclosure and firm value, yet findings often differ depending on the dimensions examined. For example, environmental and social disclosure may enhance reputational capital, while governance disclosure yields more complex outcomes, sometimes perceived by investors as a signal of potential risk (Desai, 2024; Ho et al., 2024). Similarly, empirical work shows that capital structure interacts with ESG practices in shaping valuation, yet these relationships vary across contexts. For emerging economies such as Indonesia, where financial markets are less mature and corporate governance practices are diverse, the consistency of these relationships warrants further investigation (Adeneye et al., 2023; Sari & Fitriani, 2024).

A further challenge concerns the moderating role of profitability. Studies indicate that profitable firms are more capable of financing ESG initiatives and are therefore more likely to disclose such practices (Agboare et al., 2025; Kyaw et al., 2022). Profitability also influences capital structure decisions, often reducing reliance on debt and thereby increasing flexibility to engage in sustainable investments (Albayrak, 2019). Yet, profitability does not always strengthen ESG's positive impact on valuation. In certain cases, it weakens the link between social disclosure and firm value, while amplifying the effect of capital structure (Habib et al., 2025; Maji & Lohia, 2023). These nuanced findings suggest that profitability conditions the ESG–value nexus in ways that remain insufficiently explored, particularly in the context of Southeast Asia's hybrid institutional environments.

The literature addressing these complexities draws upon several theoretical perspectives. Legitimacy theory explains ESG disclosure as a means of aligning corporate practices with societal expectations, thereby preserving legitimacy and reducing reputational risk (Herawansyah et al., 2024; X. Li et al., 2024). Stakeholder theory emphasizes that firms must address the interests of diverse constituencies to maintain support and reduce agency costs (Fauziah et al., 2024; Habib et al., 2025). Signaling theory highlights the role of ESG disclosure in reducing information asymmetry by demonstrating management quality and long-term commitment to sustainability (Yao et al., 2024; Zhu et al., 2024). Each of these frameworks provides valuable insights, yet empirical inconsistencies remain, especially when contextual factors such as cultural norms, governance structures, and investor composition are considered.



Previous research has also begun to link ESG disclosure with capital structure in shaping firm outcomes. Firms that actively integrate sustainability into their financing strategies often secure favorable borrowing terms and lower capital costs, reflecting perceptions of reduced risk and responsible governance (Federo & Aguilera, 2025; Wang & Hou, 2024). Similarly, companies with robust ESG frameworks may leverage these practices to optimize their capital structures, thereby improving financial flexibility and resilience (Dwimayanti et al., 2023). However, not all evidence aligns. Excessive disclosure may attract regulatory scrutiny or investor skepticism, thereby offsetting potential gains (Khanchel & Lassoued, 2025). These contradictions signal a pressing need to clarify under what conditions ESG practices interact positively with financial policies in emerging markets.

Nevertheless, important gaps remain. Empirical inconsistencies are particularly pronounced in Indonesia, where the interaction of ESG practices, capital structure, and firm value is complicated by unique institutional and cultural factors (Dasinapa, 2024; Roy & Mukherjee, 2025). The influence of board characteristics on disclosure levels, the predominance of trade credit in financing decisions, and the limited integration of financial performance metrics into ESG assessments all illustrate areas requiring deeper exploration (Adeneye et al., 2023; Alghifari et al., 2022; Sari & Fitriani, 2024). Moreover, long-term outcomes of ESG initiatives relative to short-term financial pressures remain insufficiently addressed, raising questions about resilience and sustainability during economic downturns (Ghose et al., 2025; Lee et al., 2025). These gaps justify further study in Indonesia and Southeast Asia, where ESG adoption is accelerating but empirical clarity is lacking.

Against this backdrop, the present study seeks to evaluate the effects of ESG disclosure and capital structure on firm value in companies listed on the IDX ESG Leaders index during 2020–2023, while also examining profitability as a potential moderator. By focusing on Indonesia, this research addresses significant gaps in the literature on ESG practices in emerging markets, offering insights into how financial and non-financial disclosures jointly shape valuation. The novelty of this study lies in disentangling the heterogeneous impacts of environmental, social, and governance disclosure dimensions, assessing the conditional role of profitability, and situating these relationships within Indonesia's evolving regulatory and cultural context. In doing so, it contributes both theoretically—by refining stakeholder, legitimacy, and signaling perspectives—and practically, by offering evidence-based guidance for corporate strategy, investor decision-making, and policy development in emerging economies.

LITERATURE REVIEW

Theoretical Foundations of ESG Disclosure

The relationship between ESG disclosure and firm value can be explained through legitimacy theory, stakeholder theory, and signaling theory. Legitimacy theory posits that firms disclose non-financial information to secure societal approval and maintain their “license to operate” within socially accepted boundaries (Suchman, 1995).

Stakeholder theory emphasizes that corporations depend on diverse stakeholders whose perceptions of legitimacy, fairness, and sustainability directly affect resource access and survival ([Freeman, 1984](#)). Signaling theory complements these perspectives by suggesting that voluntary ESG disclosures reduce information asymmetry, allowing firms to communicate quality and mitigate investor uncertainty ([Spence, 1973](#)). Together, these theories provide a robust framework to interpret whether and how ESG transparency contributes to market valuation.

Empirical research informed by these theoretical perspectives indicates varied market responses to ESG practices. For instance, some studies demonstrate that proactive sustainability disclosure reduces reputational risks and enhances investor confidence, thereby improving firm value ([Eccles et al., 2014](#)). Others argue that disclosure may serve as symbolic legitimacy-seeking rather than substantive change, thus generating minimal or even negative valuation effects ([Cho et al., 2015](#)). This divergence suggests that while the underlying theories highlight potential benefits of ESG transparency, the empirical reality depends on contextual factors such as institutional environment, investor sophistication, and profitability. Hence, applying these theories in emerging markets like Indonesia requires further exploration.

Environmental Disclosure and Firm Value

Environmental disclosure reflects a firm's response to environmental risks, regulatory requirements, and stakeholder expectations. It encompasses reporting on emissions, waste management, resource efficiency, and compliance with environmental standards. Scholars argue that such disclosure can enhance legitimacy and mitigate reputational risks by signaling corporate responsibility toward environmental sustainability ([Clarkson et al., 2008](#)). In resource-dependent economies, firms that demonstrate commitment to environmental practices may gain competitive advantages, particularly as global investors increasingly integrate environmental criteria into portfolio decisions ([Friede et al., 2015](#)).

However, empirical evidence regarding environmental disclosure's impact on firm value remains mixed. Some studies find a positive correlation, suggesting that transparent reporting on environmental initiatives improves investor perceptions and reduces risk premiums ([Dhaliwal et al., 2011, 2014](#)). Conversely, others observe insignificant or even negative relationships, particularly when disclosure raises concerns about compliance costs or potential liabilities ([Cormier & Magnan, 2015](#)). In Indonesia, environmental disclosure may be particularly salient given the prevalence of extractive industries and heightened regulatory attention. Yet, the degree to which investors reward such transparency is still debated, making this an important empirical question.

Social Disclosure and Firm Value

Social disclosure encompasses reporting on workforce policies, community engagement, diversity, human rights, and consumer protection. According to stakeholder theory, firms that invest in social initiatives strengthen trust-based



relationships with employees, customers, and local communities, thereby ensuring long-term stability (Freeman, 1984). Research also suggests that strong social disclosure signals ethical conduct and enhances reputational capital, which can translate into investor appeal (Waddock & Graves, 1997). In global markets, socially responsible firms often outperform their peers by attracting loyal consumers and reducing labor-related risks (Margolis & Walsh, 2003).

Yet the valuation impact of social disclosure is contested. While some scholars find a positive influence, others caution that social initiatives may be perceived as costly, reducing profitability and diverting resources from core activities (Barnea & Rubin, 2010). Moreover, the credibility of social disclosure is questioned when profitability is weak, as stakeholders may interpret such efforts as symbolic or opportunistic. In emerging markets like Indonesia, where social inequality and labor conditions are pressing concerns, the extent to which social disclosure enhances firm value may depend heavily on financial performance and profitability levels.

Governance Disclosure and Firm Value

Governance disclosure relates to transparency about board structure, ownership concentration, executive compensation, and anti-corruption policies. From the perspective of signaling theory, robust governance reporting reduces information asymmetry and reassures investors about managerial accountability (Shleifer & Vishny, 1997). Empirical studies in developed economies generally suggest that strong governance disclosure enhances firm value by improving monitoring mechanisms and mitigating agency conflicts (Brown & Caylor, 2006).

However, governance disclosure can also generate unintended effects. Some studies reveal negative associations, suggesting that extensive governance reporting may highlight weaknesses or attract regulatory scrutiny (Aguilera et al., 2008). In Indonesia, governance scandals such as the Jiwasraya and Asabri cases have heightened investor sensitivity, making governance disclosure particularly critical. Nonetheless, empirical results remain inconsistent, with some studies finding positive valuation effects, others null, and still others negative. This inconsistency underscores the need to empirically test the role of governance disclosure in shaping firm value within emerging markets.

Capital Structure and Firm Value

Capital structure—the mix of debt and equity financing—has long been recognized as a determinant of firm value. The trade-off theory suggests an optimal balance where tax advantages of debt are weighed against bankruptcy risk (Modigliani & Miller, 1963). The pecking order theory emphasizes that firms prefer internal financing, followed by debt, and finally equity, due to asymmetric information and signaling considerations (Myers & Majluf, 1984). Consequently, capital structure is not merely a financial policy but also a signal of managerial quality and confidence.

Empirical studies frequently confirm a positive association between optimal leverage and firm value, as debt disciplines managers and provides tax shields

(Jensen, 1986). However, excessive leverage can increase financial distress costs, eroding value. In emerging markets, where capital markets are less mature, firms often face higher borrowing costs and limited access to equity, complicating the capital structure decision. For IDX ESG Leaders firms, the interaction between ESG reputation and capital structure is particularly salient, as investors may view prudent financing policies as complementary to sustainability practices.

Profitability as a Moderating Variable

Profitability is central to understanding the conditional effects of ESG disclosure and capital structure on firm value. Profitability provides internal resources for sustainability initiatives, thereby enhancing the credibility of ESG disclosures (McWilliams & Siegel, 2000). When firms are profitable, stakeholders are more likely to view ESG investments as strategic rather than symbolic. Moreover, profitability strengthens the signaling power of capital structure decisions, as profitable firms can leverage debt more effectively to finance growth and sustainability initiatives.

Nevertheless, profitability may also alter the valuation of ESG practices in unexpected ways. Some studies find that social disclosure, when coupled with high profitability, is discounted by investors who view such initiatives as costly diversions (Barnea & Rubin, 2010). Conversely, the absence of profitability may undermine the credibility of ESG disclosures, leading to skepticism and reduced valuation effects. Hence, profitability functions as both a direct determinant of firm value and a moderator that conditions how ESG disclosure and capital structure influence investor perceptions.

Empirical Findings in Emerging Markets

The literature on ESG disclosure and firm value in emerging economies is fragmented and often contradictory. Some studies find positive associations, reflecting growing investor interest in sustainability, while others detect null or negative effects due to weak regulatory enforcement, limited investor awareness, or perceived costs (Cahan et al., 2016). For example, in markets with less mature institutions, ESG disclosure may not carry the same credibility as in developed economies, reducing its valuation impact. This heterogeneity highlights the importance of contextualizing ESG–value relationships within specific institutional and cultural settings.

In Indonesia, where ESG reporting is still evolving, the IDX ESG Leaders index provides a natural experiment to assess how investors respond to leading sustainability disclosures. Prior research suggests that while capital structure decisions continue to dominate investor considerations, the role of ESG disclosure remains underexplored. This gap is especially evident in disaggregated analyses of environmental, social, and governance dimensions, which remain limited despite their theoretical importance. Thus, examining ESG disclosure, capital structure, and profitability jointly provides new insights into firm valuation dynamics in emerging markets.



Research Gap and Contribution

Despite the growing body of literature, several gaps persist. First, most studies examine ESG as an aggregate construct, overlooking the potential heterogeneity of environmental, social, and governance dimensions. Second, limited attention has been paid to the interaction between ESG disclosure and traditional financial determinants such as capital structure. Third, the moderating role of profitability remains underexplored, despite its potential to condition both ESG and financial policy effects. These gaps restrict our understanding of how non-financial and financial factors jointly shape firm value, particularly in emerging economies.

The present study contributes by addressing these limitations through a disaggregated analysis of ESG disclosure, capital structure, and profitability within the IDX ESG Leaders index. By doing so, it advances theoretical perspectives on legitimacy, stakeholder, and signaling theories, while offering practical implications for managers, investors, and policymakers. Importantly, the study situates its findings within Indonesia's institutional context, thereby enriching the global debate on the valuation relevance of ESG disclosure in diverse market settings.

Islamic Finance Perspectives on ESG, Capital Structure, and Firm Value

The integration of Islamic finance into discussions of ESG disclosure offers an enriched theoretical framework for understanding firm value. Shariah-compliant disclosure emphasizes ethical accountability, transparency, and social responsibility in ways that complement but also exceed conventional ESG frameworks. Research suggests that Islamic institutions, by adhering to Shariah principles, engage in lower earnings management and deliver higher-quality disclosures, thereby reducing agency costs and strengthening shareholder trust (Agbodjo et al., 2021; Humairah et al., 2023; Nisa' et al., 2023; Soemitra, 2021). These findings indicate that Shariah governance mechanisms, which embed ethical values directly into financial operations, can enhance firm reputation and increase investor confidence, reinforcing the connection between ethical disclosure and firm valuation.

Capital structure under Islamic economic principles further reinforces this relationship by favoring equity-based financing and prohibiting *riba*, thereby encouraging models of risk-sharing that stabilize corporate growth. Empirical studies demonstrate that Shariah-compliant companies utilizing *mudharabah* and *musharakah* perform better in the market compared to those that rely heavily on debt financing (Asmar et al., 2023; Fitriawati & Oktaviana, 2024; Sudarsono & Ash Shiddiqi, 2022; Tumewang, 2017). By minimizing financial burdens from interest obligations, these firms achieve stronger return measures and lower exposure to financial distress (Farooq & Zaheer, 2015; Ratih, 2019). Such evidence underscores that ethical financing structures grounded in Shariah law not only improve resilience in volatile markets but also elevate market perceptions of firm stability and long-term value creation.

A further justification arises from Islamic economic theories such as *maqasid al-shariah*, which prioritize human welfare and the avoidance of harm. These objectives align directly with ESG priorities in safeguarding community well-being, environmental

sustainability, and social equity (Siddiqui et al., 2019). Moreover, the risk-sharing mechanisms embedded in Islamic contracts like musharakah ensure more balanced accountability between stakeholders, mitigating the inequities often associated with conventional leverage (Muhmad et al., 2021). By embedding these values into valuation models, Islamic finance provides a holistic framework where profitability and social responsibility reinforce one another, demonstrating that the integration of ethical imperatives and financial performance is both theoretically consistent and practically achievable.

Empirical studies further confirm that Shariah governance disclosure correlates with enhanced financial performance (Abdul Rahim et al., 2024; Boudawara et al., 2023). This evidence suggests that when firms transparently communicate their adherence to Shariah principles, they not only satisfy regulatory expectations but also gain reputational benefits that attract socially conscious investors. In parallel, instruments like sukuk offer opportunities for ethical capital formation, demonstrating that Shariah-compliant financing can expand liquidity and market participation without violating ethical imperatives (Ahmed et al., 2021; Akhatova et al., 2016). These dynamics highlight the dual benefits of Islamic financial practices, where both compliance with religious principles and alignment with sustainability goals contribute to long-term valuation gains.

The convergence of Islamic economic theory with ESG practices ultimately enriches the literature by providing a robust ethical foundation for sustainable finance. While ESG frameworks in conventional finance are often voluntary and inconsistent, Shariah principles impose stringent standards that strengthen governance and stakeholder trust (Sarhan & Ntim, 2018). This convergence indicates a path forward in which firms integrating Shariah-inspired principles with ESG strategies can build durable reputations, attract socially responsible investors, and enhance firm value across economic cycles (Sudarwanto et al., 2024; Wahyudi et al., 2023). Thus, the Islamic finance perspective does not merely supplement ESG debates but advances a comprehensive paradigm where financial, social, and ethical imperatives are inseparably linked.

METHOD

Research Design

This study adopts a quantitative research design employing panel data regression to examine the influence of environmental, social, and governance (ESG) disclosure and capital structure on firm value. Furthermore, profitability is incorporated as a moderating variable to assess whether financial performance strengthens or weakens these relationships. The rationale for choosing a quantitative approach lies in its ability to statistically test hypotheses and to establish empirical generalizations from observed data (Gujarati & Porter, 2009). By applying econometric modeling, the research aims to generate objective, replicable findings that contribute to theoretical



development and practical decision-making in corporate finance and sustainability studies.

Panel data methodology is particularly well suited for this research because it allows for the simultaneous consideration of cross-sectional and time-series variations. In addition to capturing firm-level heterogeneity, this approach improves estimation efficiency and reduces multicollinearity among variables (Baltagi, 2005). The use of panel regression is also consistent with previous studies on ESG and financial performance, which often involve longitudinal datasets across multiple firms and years. In this study, data cover the 2020–2023 period, reflecting recent developments in the Indonesian capital market and the introduction of the IDX ESG Leaders index.

Population and Sample

The population of this research consists of firms listed in the IDX ESG Leaders index during the observation period 2020–2023. This index was chosen because it comprises companies considered to demonstrate best practices in sustainability, transparency, and governance, thereby serving as a relevant empirical setting to assess ESG disclosure and firm valuation. From this population, purposive sampling was employed to identify firms that consistently appeared in the index and disclosed sufficient data during the study period. The final sample consists of 17 firms observed over four years, generating a balanced panel of 68 firm–year observations.

The choice of purposive sampling reflects the need to ensure data completeness and comparability. While this approach limits the generalizability of findings to all IDX-listed firms, it strengthens internal validity by focusing on firms with credible ESG reporting. The sample also covers diverse industries, including finance, consumer goods, energy, and manufacturing, thereby capturing sectoral variation in ESG practices. By concentrating on the IDX ESG Leaders, the study ensures that the observed firms are those most aligned with sustainability benchmarks, thereby reducing noise from firms with weak or inconsistent ESG disclosure.

Data Collection

Data were obtained from secondary sources, primarily annual reports, sustainability reports, and official publications available through the Indonesia Stock Exchange (IDX) and the respective company websites. Financial variables, including profitability and capital structure, were extracted from audited financial statements. ESG disclosure indices were constructed based on content analysis of sustainability and annual reports, following established disclosure frameworks such as the Global Reporting Initiative (GRI) standards and other relevant benchmarks (Clarkson et al., 2008).

The use of secondary data ensures objectivity and minimizes researcher bias, as the data reflect audited and publicly available disclosures. The observation period from 2020 to 2023 captures recent dynamics, including the launch of the IDX ESG Leaders index and market volatility influenced by environmental regulations and governance scandals. Collecting multi-year data enables the study to capture both cross-sectional

differences among firms and temporal changes in disclosure practices and financial performance.

Variables and Measurement

The dependent variable is firm value, proxied by Tobin's Q, which reflects the market's valuation of a firm relative to the replacement cost of its assets. Tobin's Q is widely used in corporate finance studies because it incorporates both market perceptions and accounting fundamentals ([Chung & Pruitt, 1994](#)).

The independent variables are the three ESG disclosure dimensions and capital structure. Environmental disclosure measures reporting on energy use, emissions, waste management, and environmental compliance. Social disclosure captures information on labor practices, human rights, community engagement, and consumer responsibility. Governance disclosure assesses transparency about board structure, shareholder rights, executive compensation, and anti-corruption policies. Disclosure levels were coded based on content analysis, using a binary scoring method where each reported item received a score of one and unreported items scored zero. Scores were aggregated to form indices for each dimension.

Capital structure is measured by the debt-to-equity ratio (DER), reflecting the proportion of debt financing relative to equity. This metric captures the extent of leverage and its potential implications for firm value (Modigliani & Miller, 1963). Profitability, the moderating variable, is proxied by return on assets (ROA), which reflects a firm's efficiency in generating net income from total assets. ROA is a widely accepted indicator of financial performance in corporate finance and sustainability studies.

Data Analysis

Data analysis was performed using EViews 10 software ([EViews Inc., 2019](#)), with panel regression models estimated to test the hypotheses. The analysis began with descriptive statistics to summarize the characteristics of the variables, followed by classical assumption tests to ensure model validity. Normality was assessed using the Jarque–Bera test, multicollinearity was examined through correlation matrices, heteroskedasticity was tested using the White test with RESABS, and autocorrelation was checked using the Durbin–Watson statistic.

The main analysis employed panel regression models with fixed and random effects specifications. The Hausman test was applied to determine the appropriate model, ensuring robust estimation. To evaluate the moderating effect of profitability, moderated regression analysis (MRA) was conducted by introducing interaction terms between profitability and each independent variable. This approach allows for the identification of predictor-moderator, quasi-moderator, and pure-moderator roles of profitability ([Baron & Kenny, 1986](#)). Model fit was evaluated using R^2 , adjusted R^2 , F-statistics, and significance levels of individual coefficients.

Robustness Checks

To enhance the credibility of findings, several robustness checks were performed. Outliers identified in the initial dataset, which contributed to non-normality, were



removed to improve statistical validity. After outlier adjustment, the normality test indicated a p-value above 0.05, confirming that the residuals approximated a normal distribution. Correlation tests confirmed the absence of severe multicollinearity, as all correlation coefficients were below the threshold of 0.90. Heteroskedasticity and autocorrelation tests further indicated that the regression assumptions were satisfied, ensuring reliable coefficient estimates.

The moderating role of profitability was carefully evaluated by interpreting both main and interaction effects. For instance, a significant positive coefficient for the interaction between profitability and capital structure suggested that profitability strengthened the positive influence of leverage on firm value. Conversely, a significant negative coefficient for the interaction between profitability and social disclosure indicated that profitability weakened the valuation impact of social disclosure. These robustness checks reinforce the reliability of the empirical results and align with best practices in quantitative research.

RESULTS

Descriptive Statistics

The descriptive statistics provide an overview of the distribution and central tendencies of the study variables across 68 firm-year observations (17 firms over four years). Firm value, measured by Tobin's Q, displays considerable variability, reflecting differences in market valuation relative to asset bases. The mean value indicates that on average, firms are valued above the book value of assets, but the range suggests substantial heterogeneity among IDX ESG Leaders.

Environmental disclosure scores exhibit moderate averages, implying that while most firms report on energy, emissions, and resource efficiency, reporting practices remain uneven. Social disclosure scores are relatively higher, reflecting strong emphasis on workforce policies, community initiatives, and consumer responsibility. Governance disclosure, however, shows notable variation, with some firms providing comprehensive reporting while others disclose minimally. The debt-to-equity ratio, representing capital structure, indicates diverse leverage strategies, from conservative financing to high reliance on debt. Profitability (ROA) averages are positive, but the distribution highlights the differing financial efficiency among sample firms.

Table 1

Descriptive Statistics of Variables

Variable	Mean	Min	Max	Std. Dev.
Firm Value (Tobin's Q)	2.15	0.84	5.92	1.27
Environmental Disclosure	0.56	0.20	0.88	0.18
Social Disclosure	0.64	0.30	0.92	0.15
Governance Disclosure	0.51	0.15	0.89	0.22
Capital Structure (DER)	1.32	0.35	2.89	0.74
Profitability (ROA)	0.07	-0.05	0.19	0.06

Source: Secondary data. Authors' estimation.

The descriptive profile highlights that IDX ESG Leaders firms are not homogenous in ESG disclosure or financial policies, underscoring the importance of regression analyses to test hypothesized relationships.

Classical Assumption Testing

Before regression estimation, classical assumptions were tested to ensure validity. Normality was first examined through the Jarque–Bera test. Initial results indicated non-normal residuals ($p = 0.0000$), necessitating removal of outliers. After adjustments, the test yielded $p = 0.0656$, exceeding the 0.05 threshold, confirming approximate normal distribution.

Multicollinearity was assessed via correlation matrices. All independent variable correlations remained below 0.90, suggesting no severe multicollinearity. Heteroskedasticity was tested using the White test with RESABS, which returned non-significant results ($p > 0.05$), indicating homoscedastic residuals. Autocorrelation, evaluated with the Durbin–Watson statistic, fell within acceptable ranges, further validating model adequacy. These diagnostics confirm that the regression assumptions are satisfied, ensuring unbiased and efficient coefficient estimates.

Regression Results without Moderation

The baseline regression model examined the influence of environmental, social, and governance disclosures, along with capital structure, on firm value. The model yielded an adjusted R^2 of 0.6401, indicating that approximately 64% of the variance in firm value is explained by the independent variables. The F-statistic was 25.4573 ($p = 0.0000$), confirming model significance.

Table 2

Baseline Panel Regression Results

Variable	Coefficient	Std. Error	t-Statistic	p-Value
Environmental Disclosure	-0.2094	0.3692	-0.5673	0.5692
Social Disclosure	0.5453	0.4513	1.2452	0.2324
Governance Disclosure	-1.4677	0.3225	-4.5478	0.0000
Capital Structure (DER)	0.7201	0.1374	5.2405	0.0000
Constant	1.1249	0.5431	2.0702	0.0415

Source: Secondary data. Authors' estimation.

Results demonstrate that environmental disclosure and social disclosure are not statistically significant in explaining firm value. Governance disclosure, contrary to theoretical expectations, exerts a significant negative effect ($p = 0.0000$), suggesting that higher governance reporting correlates with reduced firm valuation. Capital structure has a significant positive effect ($p = 0.0000$), confirming that leverage enhances firm value within this sample.

Moderated Regression Analysis (MRA)

To test the moderating role of profitability, interaction terms between profitability and each independent variable were introduced. The weighted R^2 increased to 0.9325, and



the F-statistic rose to 70.6089 ($p = 0.0000$), indicating substantial improvement in model explanatory power.

Table 3

Moderated Regression Results with Profitability (ROA)

Variable / Interaction	Coefficient	Std. Error	t-Statistic	p-Value
Environmental Disclosure (X1)	-0.5127	0.4512	-1.1362	0.2604
Social Disclosure (X2)	0.8421	0.4930	1.7074	0.0921
Governance Disclosure (X3)	-1.1256	0.3874	-2.9045	0.0048
Capital Structure (X4)	0.6593	0.1223	5.3902	0.0000
Profitability (M)	4.9540	1.5489	3.1985	0.0016
Env×ROA (M1)	-0.8416	0.5274	-0.1521	0.8784
Soc×ROA (M2)	-10.9369	3.8217	-2.8623	0.0025
Gov×ROA (M3)	3.4747	3.5921	0.9645	0.3354
CapStr×ROA (M4)	2.3163	0.5234	4.4221	0.0001
Constant	0.9821	0.4870	2.0165	0.0461

Source: Secondary data. Authors' estimation.

Interpretation of Moderation Effects

The interaction between profitability and environmental disclosure is not significant ($p = 0.8784$), indicating that profitability does not moderate this relationship. Similarly, governance disclosure interactions remain insignificant ($p = 0.3354$), suggesting that profitability does not alter the negative effect of governance reporting on firm value.

By contrast, the interaction between profitability and social disclosure is significant and negative ($p = 0.0025$). This finding indicates that profitability weakens the relationship between social disclosure and firm value, suggesting that highly profitable firms are penalized when social initiatives are perceived as costly or misaligned with shareholder value.

The interaction between profitability and capital structure is significant and positive ($p = 0.0001$). This result demonstrates that profitability strengthens the positive impact of leverage on firm value, consistent with the notion that profitable firms can employ debt more effectively to finance growth while maintaining investor confidence.

Model Comparison and Goodness of Fit

The improvement in explanatory power from the baseline model (Adjusted $R^2 = 0.6401$) to the moderated regression (Weighted $R^2 = 0.9325$) highlights the crucial role of profitability in shaping the ESG–value–capital structure nexus. This sharp increase underscores that profitability not only exerts a strong direct effect on firm value but also moderates the impact of disclosure and financial policy variables.

Moreover, the significant coefficients for governance disclosure and capital structure in both models indicate that these two factors consistently influence firm value, albeit in opposite directions. The contrasting effects underscore the complexity of investor perceptions: while prudent leverage enhances value, extensive governance reporting may trigger concerns about managerial issues or regulatory scrutiny, reducing firm valuation.

Summary of Findings

The empirical results can be summarized as follows:

1. Environmental disclosure does not significantly affect firm value, either directly or when moderated by profitability.
2. Social disclosure is insignificant in the baseline model but becomes sensitive to profitability, with profitability weakening its effect on firm value.
3. Governance disclosure has a significant negative impact on firm value, and profitability does not moderate this effect.
4. Capital structure has a significant positive impact on firm value, and profitability strengthens this relationship.
5. Profitability itself exerts a strong positive effect on firm value, confirming its central role in investor valuation.

DISCUSSION

Environmental Disclosure and Firm Value

The results indicate that environmental disclosure does not significantly affect firm value among IDX ESG Leaders during 2020–2023. Despite expectations from legitimacy and stakeholder theories, reporting on emissions, waste management, or energy use did not translate into measurable valuation premiums. This outcome suggests that investors in Indonesia may not yet prioritize environmental transparency when assessing firm performance, possibly due to insufficient regulatory enforcement or limited awareness of long-term environmental risks. The lack of significance implies that environmental information, while increasingly reported, remains peripheral in shaping market perceptions of corporate value.

Existing literature presents mixed evidence on this issue. Dhaliwal et al. (2011) found that voluntary environmental disclosure reduces firms' cost of capital, supporting the signaling value of transparency. In contrast, Cormier & Magnan (2015) documented that disclosure sometimes raises concerns about compliance costs, deterring investors. The Indonesian findings resonate more with the latter, aligning with studies in other emerging economies where environmental reporting lacks credibility or salience. Compared with developed markets, investors may perceive environmental initiatives as compliance-driven rather than strategic, reducing their relevance for valuation.

Theoretically, these results challenge assumptions that environmental disclosure uniformly enhances firm legitimacy and market value. From a practical perspective, firms may hesitate to allocate substantial resources to environmental reporting if investors do not reward such efforts. For policymakers, the findings highlight the need for stronger regulatory frameworks and standardized reporting requirements to ensure environmental information is both credible and decision-useful. Without such measures, the gap between environmental reporting practices and investor responses will likely persist, limiting the transformative potential of ESG integration in the Indonesian capital market.



Social Disclosure and Firm Value

Social disclosure was statistically insignificant in the baseline model but revealed an intriguing dynamic when profitability was introduced as a moderator. The interaction term indicated that profitability weakens the relationship between social disclosure and firm value. In other words, highly profitable firms do not necessarily gain additional valuation benefits from reporting on workforce policies, community engagement, or consumer rights; rather, such disclosures may be interpreted as resource-draining activities that compromise efficiency. This finding underscores that social initiatives are not uniformly perceived as value-enhancing but depend heavily on financial context.

Research findings in global markets provide both support and contradiction. Waddock & Graves (1997) argued that socially responsible practices enhance reputation and competitiveness, leading to superior performance. Similarly, Margolis & Walsh (2003) found a positive association between corporate social performance and financial outcomes. Conversely, Barnea & Rubin (2010) cautioned that social disclosure may incur costs without proportional financial benefits, particularly in contexts where stakeholders are skeptical. The Indonesian evidence appears closer to the latter perspective, indicating that profitability can overshadow or even diminish the market relevance of social disclosure.

The implications of these results are multifaceted. Theoretically, they highlight the conditional nature of stakeholder theory, suggesting that social legitimacy does not automatically convert into financial gains. Practically, managers of profitable firms must carefully balance social initiatives with shareholder expectations, ensuring that investments in community or workforce programs are communicated as strategic rather than symbolic. For policymakers, the results imply the need for guidelines that link social disclosure to measurable outcomes, thereby increasing investor confidence that such initiatives contribute to sustainable long-term performance rather than representing discretionary costs.

Governance Disclosure and Firm Value

One of the most striking findings is the significant negative impact of governance disclosure on firm value. Contrary to signaling theory, which posits that transparency about board structures, ownership, and anti-corruption policies reduces information asymmetry, Indonesian investors appear to interpret extensive governance reporting as a negative signal. This paradox suggests that governance disclosure may highlight managerial weaknesses, regulatory scrutiny, or internal conflicts, thus reducing market confidence. The outcome reflects a complex investor psychology in emerging markets, where governance scandals have heightened skepticism toward reported governance practices.

Literature reveals similar contradictions. Brown & Caylor (2006) demonstrated that strong governance mechanisms enhance firm value in U.S. firms, consistent with signaling and agency theories. However, Aguilera et al. (2008) observed that governance disclosure may also draw attention to weaknesses or attract regulatory monitoring, leading to adverse effects. In Indonesia, where cases such as Jiwasraya

(Christian & Julyanti, 2022; Nasirwan et al., 2024) and Asabri (Christian et al., 2023; Rizky et al., 2024) eroded investor trust, the negative relationship aligns with concerns that governance disclosure is reactive rather than proactive, reinforcing suspicions rather than reassuring markets.

The implications are significant. Theoretically, the results challenge the universality of signaling theory, demonstrating that governance transparency can backfire in contexts with low institutional trust. Practically, managers must focus not only on reporting but also on ensuring that governance reforms are substantive and demonstrably effective. For policymakers, the findings underscore the urgency of developing stronger corporate governance codes and monitoring systems. Without robust enforcement, governance disclosure may continue to generate negative signals, undermining the very legitimacy it seeks to build.

Capital Structure and Firm Value

The results confirm that capital structure exerts a significant positive effect on firm value. Firms with higher debt-to-equity ratios tended to be valued more highly, suggesting that investors reward prudent use of leverage as a signal of growth potential and managerial discipline. This finding is consistent with trade-off theory, which posits that debt creates tax shields, and with signaling theory, which views leverage as evidence of management confidence. For IDX ESG Leaders, capital structure appears to remain a primary determinant of value, perhaps even more influential than ESG disclosures.

This outcome aligns with prior studies. Jensen (1986) emphasized that debt disciplines managers by reducing free cash flow problems, thereby increasing firm value. Empirical evidence in emerging markets also highlights the centrality of capital structure, as investors often rely on financial fundamentals more heavily than on non-financial disclosure (Myers & Majluf, 1984). While ESG is gaining traction globally, Indonesian evidence suggests that investors still prioritize traditional financial indicators when making valuation decisions, with leverage playing a central role.

The findings carry important implications. Theoretically, they reaffirm the enduring relevance of corporate finance theories in explaining value creation, even in ESG-oriented contexts. Practically, managers should carefully design capital structures that balance growth ambitions with financial risk, especially when operating under sustainability-oriented indices. Policymakers must also recognize that while ESG frameworks are important, investors in emerging markets continue to demand robust financial fundamentals. Integrating ESG considerations into capital market regulations should therefore complement, rather than replace, traditional financial assessments.

Profitability as a Moderator

Profitability itself was found to have a strong positive effect on firm value, confirming its central role in corporate valuation. More importantly, it acted as a significant moderator for certain relationships. Specifically, profitability weakened the positive association between social disclosure and firm value, while strengthening the



positive impact of capital structure. These results suggest that profitability functions as a filter through which investors interpret both financial and non-financial signals. When profitability is high, investors discount social initiatives but reward prudent leverage, demonstrating a preference for financial efficiency over discretionary expenditures.

Previous studies corroborate the importance of profitability as both a direct and conditional factor. McWilliams & Siegel (2000) argued that profitability enhances the credibility of ESG investments, while Barnea and Rubin (2010) highlighted the potential for profitability to shift perceptions of social disclosure as costly. The Indonesian evidence integrates both perspectives: profitability amplifies financial signals but diminishes non-financial ones, reflecting a nuanced interaction between economic performance and stakeholder engagement. This duality enriches theoretical understanding of how moderators function in ESG research.

The implications are broad. Theoretically, the findings highlight the necessity of considering moderators when testing ESG–value relationships, as ignoring profitability risks producing misleading results. Practically, firms must recognize that financial performance shapes the credibility of sustainability initiatives, influencing whether investors interpret them as strategic or symbolic. For policymakers, the findings indicate that profitability-sensitive disclosure guidelines may be necessary, ensuring that ESG information is contextualized within firms' financial realities. Such measures could reduce skepticism and foster more accurate valuation responses to ESG transparency.

Integrative Implications

Taken together, the findings reveal that while ESG disclosure is theoretically valuable, its practical effect on firm value in Indonesia is limited and conditional. Only governance disclosure shows a significant effect, albeit negative, while environmental and social disclosures remain largely insignificant. By contrast, capital structure and profitability continue to dominate investor considerations. These results suggest that in emerging markets, investors prioritize financial fundamentals, with ESG disclosure influencing valuation only under specific conditions or in unexpected ways. This underscores the contextual nature of ESG–value relationships and the importance of institutional trust.

Supporting and contradicting evidence from global literature highlight both convergence and divergence. While studies in developed markets often report positive ESG–value linkages, findings in emerging economies remain inconsistent, reflecting differences in regulatory enforcement, investor sophistication, and cultural expectations (Cahan et al., 2016). The Indonesian evidence aligns more closely with the latter, suggesting that ESG practices are still evolving in their market relevance. This divergence underscores the need for localized research rather than universal assumptions about ESG valuation effects.

The theoretical implications are significant, challenging the universality of stakeholder and signaling theories by demonstrating context-dependent outcomes. Practically, managers must focus on profitability and capital structure while carefully framing ESG disclosures to avoid skepticism. Policymakers must strengthen reporting standards, enhance enforcement, and build investor trust to ensure ESG transparency

becomes meaningful. At the policy level, integrating ESG requirements into capital market regulations can foster credibility, aligning investor incentives with sustainable development goals. Collectively, these implications reinforce the importance of contextualizing ESG research within local institutional environments.

Some Notes from Islamic Finance Perspectives

Governance Disclosure and Market Response

The results of this study demonstrate that governance disclosure exerts a negative and significant effect on firm value. This outcome appears counterintuitive, given that governance is often regarded as a cornerstone of transparency and accountability. Within the sample of IDX ESG Leaders, governance disclosure may have been perceived by investors as either insufficient or symbolic rather than substantive. The negative coefficient suggests that when firms disclose governance information that falls short of stakeholder expectations, markets may interpret this as a red flag, signaling possible inefficiencies, conflicts of interest, or gaps between formal reporting and actual corporate practices.

Comparable findings are reported in prior literature. Ullah et al. (2023) highlight that Shariah-compliant firms are held to higher standards of accountability, and when governance disclosures fail to demonstrate such standards, investors respond negatively. Similarly, Nobanee & Ellili (2022) show that disclosure is beneficial only when accompanied by fairness and substantive practices; otherwise, it can undermine credibility. These results are consistent with L. Li et al. (2024), who found that vague or incomplete governance reports reduce market confidence. Thus, rather than disclosures themselves, the perceived quality and depth of disclosure determine their impact on valuation.

Theoretically, these findings enrich the discourse on Islamic corporate governance, which emphasizes accountability, justice, and transparency as non-negotiable standards. Practically, they suggest that firms cannot rely on superficial compliance with disclosure requirements but must demonstrate substantive commitment to governance reforms. From a policy perspective, regulators should strengthen the quality assurance of governance reporting and establish stricter guidelines to align disclosures with Shariah principles. Such steps would ensure that disclosures act as instruments of trust rather than triggers of suspicion, thus bridging the gap between regulatory intentions and market perceptions.

Profitability, Capital Structure, and Value Creation

The empirical evidence shows that capital structure has a positive and significant effect on firm value, and profitability amplifies this relationship. This indicates that profitable firms are better able to use leverage effectively, with the market rewarding their capacity to manage obligations. In Shariah-compliant contexts, this pattern aligns with the principle of moderation, where firms balance equity and financing instruments without violating prohibitions on *riba*. The moderation analysis underscores that



profitability not only increases firm value directly but also strengthens the positive signaling effect of prudent capital structure decisions.

Supporting evidence comes from Dewi & Fachrurrozie (2021), who demonstrate that more profitable firms rely less on external debt, reflecting a stable capital base. Malim & Normalini (2018) similarly emphasize that adequate capitalization enhances margins while ensuring compliance with Shariah rules. Previous studies (Alisic et al., 2024; Junaini et al., 2023; Swartz & Itumeleng, 2015) show that structured, profit-sharing arrangements such as *mudarabah* and *musharakah* enhance resilience and market confidence. In contrast, conventional literature often assumes higher leverage correlates with higher value, though this assumption breaks down during crises. Islamic finance literature suggests that equity-based, profit-sharing mechanisms offer stability and align profitability with sustainable growth.

Theoretically, this underscores Islamic financial theory's integration of profitability, risk-sharing, and ethical governance. Practically, managers should align capital structure choices with long-term profitability rather than short-term leverage gains. From a policy standpoint, regulators may encourage Shariah-compliant financing instruments such as *sukuk*, which balance leverage with ethical constraints. By aligning profitability with ethical financial strategies, firms can simultaneously strengthen market valuation and uphold social responsibility. This balance ensures that profitability-driven growth does not compromise principles of justice and accountability embedded in *maqasid al-shariah*.

Sustainability, Stakeholder Trust, and Islamic Objectives

The study also finds that profitability independently strengthens firm value while weakening the role of social disclosure. This dual effect suggests that while profitability signals financial strength, markets may undervalue social disclosures unless they are strongly aligned with performance. Within Islamic economics, this result reflects the importance of *maqasid al-shariah*, which calls for balancing wealth creation with the protection of social welfare. Profitability alone is not sufficient; it must be directed toward just and equitable outcomes. Failure to integrate profitability with broader ethical goals risks undermining long-term sustainability and stakeholder trust.

Previous research affirms this concern. Yesuf & Aassouli (2020) argue that aligning Islamic finance with socially responsible investment enhances welfare outcomes. Muhmad et al. (2021) highlight that integrating Sustainable Development Goals with Islamic objectives reinforces stakeholder trust and growth potential. Hambali & Adhariani (2023) illustrate how Shariah-compliant firms that prioritize social responsibility during crises maintain investor confidence more effectively than peers. These studies collectively suggest that stakeholder trust is contingent not merely on financial performance but also on consistent alignment with ethical and social imperatives.

The implications are significant for theory, practice, and policy. Theoretically, the findings reinforce the proposition that sustainable value creation in Islamic finance requires integration of profitability with *maqasid al-shariah*. Practically, firms should

institutionalize social disclosures that go beyond compliance to demonstrate authentic commitment to equity and welfare. From a policy standpoint, regulators and Shariah boards should develop disclosure standards that ensure social contributions are linked to measurable outcomes. By embedding sustainability into governance frameworks, firms can ensure profitability translates into equitable growth and long-term stakeholder trust.

CONCLUSION

The findings of this study demonstrate that environmental and social disclosures do not exert significant direct effects on firm value, whereas governance disclosure has a significant negative effect and capital structure a significant positive effect. Profitability emerged as both a direct driver of firm value and a moderator, weakening the social disclosure–value relationship while strengthening the capital structure–value nexus. These results highlight the conditional relevance of ESG practices in Indonesia’s capital market, where financial fundamentals such as profitability and leverage remain primary determinants of valuation.

The discussion revealed that the insignificance of environmental disclosure reflects limited investor responsiveness to sustainability information in emerging markets, while the negative governance effect suggests persistent skepticism shaped by governance scandals and weak institutional trust. Social initiatives, although important for stakeholder engagement, were discounted when profitability was high, indicating that investors prioritize efficiency over discretionary social programs. By contrast, prudent leverage consistently enhanced value, underscoring the continuing relevance of corporate finance theories.

The study contributes to the literature by disaggregating ESG dimensions and introducing profitability as a moderating factor, thereby clarifying asymmetric relationships often overlooked in aggregate analyses. It also enriches understanding of ESG valuation in emerging economies where institutional frameworks are still developing. Practically, managers are advised to frame ESG disclosures strategically and complement them with robust financial performance, while policymakers must strengthen reporting standards and enforcement. Collectively, these insights underline the importance of contextualizing ESG–value relationships within local capital market realities.

Limitations of the Study

Although this study provides meaningful insights, several limitations must be acknowledged. First, the sample is restricted to firms listed in the IDX ESG Leaders index, comprising 17 firms across four years, which may limit generalizability to all Indonesian firms or to companies in other emerging markets. Second, the measurement of ESG disclosure relied on content analysis of annual and sustainability reports, which may capture reported transparency but not the actual quality or impact of ESG practices.

Consequently, the results reflect perceptions shaped by disclosure rather than underlying substantive activities.

Third, profitability was the only moderating variable tested, and other potential moderators such as firm size, industry sector, or ownership structure were not examined. The exclusive reliance on secondary data may also have constrained the scope of analysis, as qualitative perspectives from managers or investors were not incorporated. Additionally, governance results may have been influenced by the unique institutional context of Indonesia, particularly recent governance scandals that could have distorted investor perceptions. These limitations suggest the need for caution when generalizing the findings beyond the studied context.

Recommendations for Future Research

Future research could expand the sample to include all firms listed on the Indonesia Stock Exchange or comparable indices in other emerging markets. Such expansion would allow for cross-industry and cross-country comparisons, thereby clarifying whether the findings are unique to Indonesia or represent broader trends in developing economies. Researchers should also consider extending the observation period to capture long-term valuation effects of ESG disclosure, particularly as sustainability regulations and investor awareness continue to evolve.

Methodologically, future studies could incorporate additional moderating or mediating variables, such as firm size, ownership concentration, or market competition, to better capture contextual dynamics. Employing mixed-method approaches that combine quantitative panel analysis with qualitative interviews would also enrich understanding by uncovering managerial motives and investor interpretations. Finally, future research could assess the actual impact of ESG practices, not only disclosure, on firm performance. This would address the gap between symbolic reporting and substantive implementation, providing a more comprehensive understanding of ESG's role in corporate value creation.

Author Contributions

Conceptualization	H.R.D. & M.	Resources	H.R.D. & M.
Data curation	H.R.D. & M.	Software	H.R.D. & M.
Formal analysis	H.R.D. & M.	Supervision	H.R.D. & M.
Funding acquisition	H.R.D. & M.	Validation	H.R.D. & M.
Investigation	H.R.D. & M.	Visualization	H.R.D. & M.
Methodology	H.R.D. & M.	Writing – original draft	H.R.D. & M.
Project administration	H.R.D. & M.	Writing – review & editing	H.R.D. & M.

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Informed Consent Statement

Informed consent was not required for this study.

Data Availability Statement

The data presented in this study are available on request from the corresponding author.

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Conflicts of Interest

The authors declare no conflicts of interest.

Declaration of Generative AI and AI-Assisted Technologies in the Writing Process

During the preparation of this work, the authors used ChatGPT, DeepL, Grammarly, and PaperPal to translate from Bahasa Indonesia into American English and improve the clarity of the language and readability of the article. After using these tools, the authors reviewed and edited the content as needed and took full responsibility for the content of the published article.

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