

The Effect of ESG Disclosure and Financial Reporting Timeliness on Firm Value Through Capital Structure (Primary Consumer Goods Sector on The Indonesia Stock Exchange, 2022-2024)

Annisa Ramadhini Salsabila¹, Ihsan Nasihin², Dhea Imroatul Fatihah³

¹ Faculty of Economics and Business, Accounting Study Program, Buana Perjuangan University Karawang, ak22.annisasalsabila@mhs.ubpkarawang.ac.id

² Faculty of Economics and Business, Accounting Study Program, Buana Perjuangan University Karawang, ihsan.nasihin@ubpkarawang.ac.id

³ Faculty of Economics and Business, Accounting Study Program, Buana Perjuangan University Karawang, dheaimroatul@ubpkarawang.ac.id

Article Info

Article history:

Received Apr, 2026

Revised May, 2026

Accepted May, 2026

Keywords:

Capital Structure; ESG; Firm Value; Reporting Timeliness;

Keywords:

capital structure; ESG; firm value; Reporting Timeliness

ABSTRACT

This study aims to analyze the effect of Environmental, Social, and Governance (ESG) disclosure and financial reporting timeliness on firm value, with capital structure as a mediating variable in primary consumer goods companies listed on the Indonesia Stock Exchange during the 2022-2024 period. This research employs a quantitative approach with an explanatory method. The sample consists of 33 companies with a total of 99 observations, analyzed using multiple linear regression and Baron and Kenny mediation tests through SPSS. The results indicate that ESG disclosure has a significant negative effect on firm value, while financial reporting timeliness has no significant effect on firm value. ESG disclosure does not affect capital structure, whereas financial reporting timeliness has a significant effect on capital structure. Capital structure significantly affects firm value and only mediates the relationship between financial reporting timeliness and firm value, but does not mediate the relationship between ESG disclosure and firm value. The study concludes that the role of ESG in enhancing firm value is has not yet optimal, while reporting timeliness plays a more significant role through financing mechanisms. The implication of this study suggests that companies need to improve the quality of ESG disclosure substantively and maintain timely financial reporting to enhance investor confidence.

ABSTRACT

This study aims to analyze the effect of Environmental, Social, and Governance (ESG) disclosure and financial reporting timeliness on firm value, with capital structure as a mediating variable in primary consumer goods companies listed on the Indonesia Stock Exchange during the 2022–2024 period. This research employs a quantitative approach with an explanatory method. The sample consists of 33 companies with a total of 99 observations, analyzed using multiple linear regression and Baron and Kenny mediation tests through SPSS. The results indicate that ESG disclosure has a significant negative effect on firm value, while financial reporting timeliness has no significant effect on firm value. ESG disclosure does not affect capital structure, whereas financial reporting timeliness has a significant effect on capital structure. Capital structure significantly affects firm value and only mediates the relationship between financial reporting timeliness and firm value, but does not mediate the relationship between ESG disclosure and firm value. The study concludes that the role of ESG in enhancing firm value is has not yet optimal, while reporting timeliness plays a more significant role

through financing mechanisms. The implication of this study suggests that companies need to improve the quality of ESG disclosure substantively and maintain timely financial reporting to enhance investor confidence.

This an open access article under the CC BY-SA license. [CC BY-SA](#)



Corresponding Author:

Name: Annisa Ramadhini Salsabila

Institution: Faculty of Economics and Business, Accounting Study Program, Buana Perjuangan University Karawang

Email: ak22.annisasalsabila@mhs.ubpkarawang.ac.id

1. INTRODUCTION

The increasingly dynamic development of the business world requires companies to maintain competitiveness amid intense competition (Hapriyanto et al., 2024). In this condition, companies do not only focus on short-term profit, but also on increasing firm value as a reflection of successful resource management and long-term prospects. Firm value reflects market assessment of performance and expectations of corporate sustainability in the future (Nasihin et al., 2025). In the capital market, firm value is reflected through stock prices formed through investor interactions. Stock prices not only is influenced by performance when this, but also by expectations regarding business sustainability. An increase in stock prices reflects growing investor confidence on the company's ability to create long-term value (Anisa Nur Ramdania, 2025).

Firm value is dynamic and is influenced by economic conditions and market perceptions. On primary consumer goods sector, although relatively stable, firm value remains experience changes. To observe this development, the Price to Book Value ratio is used (PBV) as an indicator of market valuation. Development of the average PBV during the period 2022–2024 presented in Figure 1.

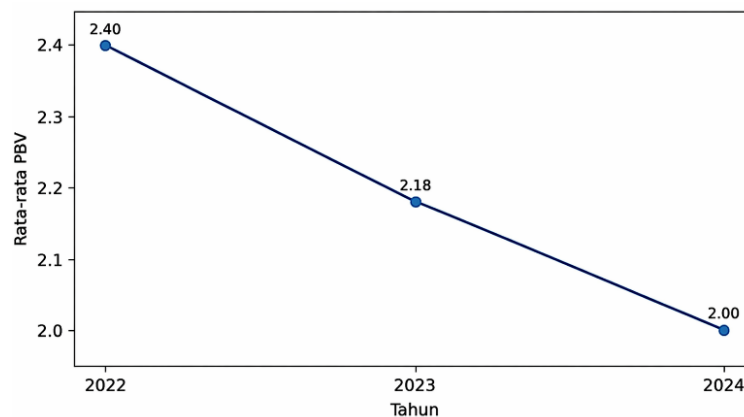


Figure 1. Development of the average PBV primary consumer goods sector during the period 2022–2024

Source: Processed by the researcher, 2026

Based on Figure 1, average PBV company on primary consumer goods sector shows a declining trend during the observation period. Value PBV recorded of 2,40 in 2022, then decreases becomes 2,18 in 2023, and again decline becomes 2,00 in 2024. This decline indicates a change in the market valuation on company and increased investor caution in assessing performance and

company prospects (Lesmana et al, 2025). Changes firm value is influenced by internal and external factors. internal factors include financing policy, profitability, and capital structure, whereas external factors relate to macroeconomic conditions (Kusnaedi et al., 2025). In addition, investor attention has begun to shift on non-financial information, salah satunya Environmental, Social, and Governance Disclosure (ESG) as a form of transparency in sustainable business practices (Manulang & Soeratin, 2024).

The growing attention to sustainability shows that company is not only oriented toward economic profit, but also considers environmental, social, and governance impacts (Kusuma & Wijaya, 2023). In Indonesia, case this is reinforced through Financial Services Authority Regulation Number 51/POJK.03/2017 that requires companies to prepare sustainability reports. The report serves as a source of information for investors in assessing company commitment on sustainable business practices (Pratama, 2025). ESG disclosure that consistent disclosure can increase investor trust and expand access to financing, so that contribute to increasing firm value (Wahyuni & Ahdim, 2025).

In addition to the sustainability aspect, financial reporting timeliness also plays a role in shaping investor assessments. Information that submitted on time has higher relevance because reflects company condition actual, whereas reporting delays can create uncertainty (Fauzani & Rahim, 2022). However, still there are companies that has not yet meets Reporting Timeliness, that has the potential decrease trust investors (Inayah & Setiawati, 2025). To improve discipline reporting, Financial Services Authority establishes Regulation Number 14/POJK.04/2022 that requires submission annual financial statements most late 3 months after book year ends. Provision this emphasizes that timeliness time is part from financial reporting quality (Nasihin & Purwandari, 2022).

In this context, capital structure becomes an important factor that influence firm value through financing policy. capital structure reflects company decisions in determine the composition of debt and equity to achieve capital cost efficiency (Hidayat, 2024). This decision also influence perception risk and company prospects in eyes investors (Zebua & Prasetyanta, 2024). ESG disclosure and Reporting Timeliness that is good can increase investor trust and creditors, so that facilitate access financing and influence capital structure company. capital structure that optimal on ultimately can support the increase of firm value (Asofyan & Indrati, 2025).

Results study previous regarding effect ESG disclosure and Reporting Timeliness on firm value still shows findings that has not yet consistent. several study found that ESG disclosure affects positive on firm value because it is able improve reputation and trust investors (Manulang & Soeratin, 2024). However, study other shows that ESG disclosure has no significant effect on firm value, that indicates that implementation ESG has not fully integrated in strategy business company (Angir, 2024).

Differences in findings are also evident in the relationship between financial reporting timeliness and firm value. Astuti and Sawalla (2025) found that financial reporting timeliness has a positive effect on firm value because it improves the credibility of information received by investors. Conversely, Sibarani and Panjaitan (2025) showed that financial reporting timeliness may influence the relevance of information, but it does not always have a significant effect on investor reactions across all market contexts. This is because some investors tend to place greater emphasis on financial performance than on the timing of report publication. These differences indicate that the relationship between financial reporting timeliness and firm value remains inconsistent and therefore requires further empirical testing.

Studies that integrate the role of capital structure as a mediating variable in the relationship between ESG disclosure, financial reporting timeliness, and firm value remain relatively limited. Most previous studies have focused more on the direct effects of these variables on firm value, while fewer have explained the mechanism through which sustainability factors and information transparency influence corporate financing policies (Nesta & Amir, 2023). This limitation indicates that the role of capital structure in this relationship still needs to be examined further.

This study aims to analyze the effect of Environmental, Social, and Governance (ESG) disclosure and financial reporting timeliness on firm value by considering capital structure as a mediating variable. The study is developed based on the observed phenomena and findings from previous research. The focus of this study is on primary consumer goods sector companies listed on the Indonesia Stock Exchange (IDX) during the 2022–2024 period. This study is expected to provide a more comprehensive understanding of the factors that influence firm value, particularly in the context of sustainability practices and information transparency.

2. LITERATURE REVIEW

2.1 *signaling theory*

Signaling theory explains that management has more complete information than external parties; therefore, companies need to disclose information to reduce information asymmetry in the market. This information serves as a signal for investors in assessing company conditions and prospects, especially in investment decision-making (Nur et al., 2024). Environmental, Social, and Governance (ESG) disclosure reflects company commitment to sustainability (Masfiah & Sulistyowati, 2025), while financial reporting timeliness shows the quality and reliability of disclosed information (Nasihin & Purwandari, 2022). These two aspects become important signals for investors in assessing company risk and prospects. The signal not only influences investor perception but also affects financing decisions reflected in capital structure (Sahrinra et al., 2025). Companies with better transparency and information quality tend to have broader financing access and a more efficient cost of capital, which is ultimately reflected in increased firm value as a market response (Ghahremanizahraie & Blue, 2025).

2.2 *Environmental, Social, and Governance Disclosure (ESG)*

Environmental, Social, and Governance (ESG) disclosure is a form of corporate transparency in reporting environmental, social, and governance performance to stakeholders. This information serves as a basis for investors in assessing business sustainability and the company's ability to manage long-term risks (Wahyuni & Ahdim, 2025). Good ESG disclosure can enhance investors' understanding of the quality of corporate management, thereby potentially strengthening investor confidence and increasing firm value (Masfiah & Sulistyowati, 2025).

2.1 *financial reporting timeliness*

Financial reporting timeliness reflects the quality of accounting information because it determines data relevance for decision-making. Timely report submission allows investors to obtain more current information to assess company conditions and prospects (Nasihin & Purwandari, 2022). Timeliness is measured using a dummy variable, valued 1 if annual financial statements are submitted no later than six months after the end of the book year and 0 if late, so faster information availability can influence investor responses (Pazrilia & Budiantara, 2023).

2.3 *capital structure*

capital structure reflects composition financing company from debt and equity and ability company in balance risk and cost of capital. capital structure was measured using Debt to Equity Ratio (DER), namely ratio total debt on equity. DER more high shows dependence larger on debt, so that can improve risk financial and influence assessment investors (Nasihin et al., 2022)

2.4 *firm value*

firm value reflects market assessment of performance and company prospects in the future and becomes indicators success in create value for shareholders. firm value was measured using Price to Book Value (PBV), namely ratio price shares on value book per shares. PBV more high generally describes expectations market that is better. firm value also

is influenced by capital structure and ownership structure, that shape perception market regarding risk and prospects Company (Riyadhita et al., 2026).

2.5 Conceptual Framework and Hypothesis

a. Conceptual Framework

Environmental, Social, and Governance (ESG) disclosure and financial reporting timeliness are information disclosed by companies to reduce information asymmetry between management and stakeholders. From the perspective of signaling theory, both types of information function as signals that reflect company quality, transparency, and credibility. ESG disclosure shows commitment to sustainability and long-term risk management, whereas reporting timeliness reflects information relevance and reliability. Transparent and timely information increases investor trust and influences investment decisions and market assessments reflected in firm value. In addition, this information also influences financing decisions; therefore, capital structure is positioned as a mediating variable that links ESG disclosure and reporting timeliness with firm value. The relationships among variables in this study are presented in Figure 2.

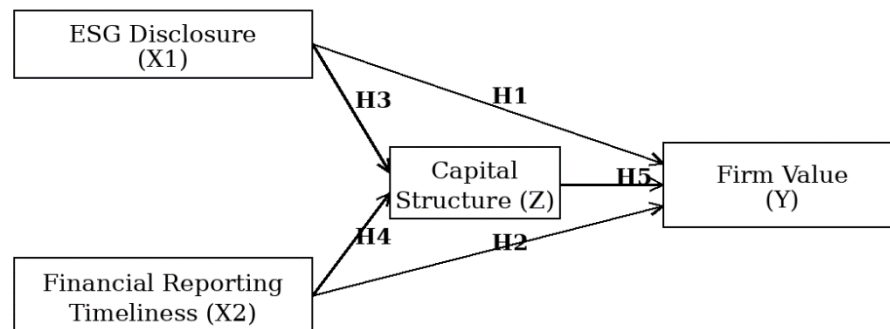


Figure 2. Conceptual Framework
Source: Processed by the researcher, 2026

b. Research Hypotheses

1. The Effect of Environmental, Social, and Governance Disclosure (ESG) on firm value

Environmental, Social, and Governance Disclosure (ESG) reflects transparency company in disclose environmental information, social, and governance management to stakeholders. Based on signaling theory, disclosure the becomes signal positive that improve trust investors and reduce information asymmetry. (Velte, 2023) states that ESG improve information quality company, whereas (Wu et al., 2025) shows that transparency ESG strengthen perception stability company. (Agustin, 2025) also found that ESG disclosure improve trust investors. Based on this explanation, hypothesis that proposed is as following:

H1: Environmental, Social, and Governance Disclosure (ESG) affects positive on firm value.

2. The Effect of Reporting Timeliness on firm value

financial reporting timeliness reflects relevance and information quality disclosed by companies to public. In framework signaling theory, information disclosure on time is signal transparency that improve trust investors. (Fauzani & Rahim, 2022) states that timeliness time improve relevance information, whereas (Astuti & Sawalla, 2025) shows that Reporting Timeliness improve trust investors.

(Hastuti et al., 2025) also emphasizes that information that on time improve reliability financial statements. Based on this explanation, hypothesis that proposed is as following:

H2: financial reporting timeliness affects positive on firm value.

3. The Effect of Environmental, Social, and Governance Disclosure (ESG) on capital structure

Environmental, Social, and Governance Disclosure (ESG) provides non-financial information that used investors and creditors in assessing risk and quality Corporate Governance. Refers on signaling theory, level ESG disclosure that is high becomes signal reputation that is good and risk more low, so that improve trust external parties. (Velte, 2023) states that ESG improve reputation company, whereas (Febtiani & Isbanah, 2024) shows that trust investors influence financing decision. (Tawfiq et al., 2024) also found that ESG decrease perception risk company. Based on this explanation, hypothesis that proposed is as following:

H3: Environmental, Social, and Governance Disclosure (ESG) affects positive on capital structure.

4. The Effect of Reporting Timeliness on capital structure

financial reporting timeliness provide information more actual regarding company condition to investors and creditors. Based on signaling theory, information that on time reduce information asymmetry and improve trust external parties. (Rambe & Imsar, 2025) states that Reporting Timeliness influence financing decision, whereas (Ayagi & Salisu, 2023) shows that financial reporting quality decrease information asymmetry. (Tasri & Sukiswo, 2025) also found that quality reporting influence perception risk creditors. Based on this explanation, hypothesis that proposed is as following:

H4: financial reporting timeliness affects capital structure.

5. capital structure as a mediating variable

capital structure reflects company decisions in determine composition financing between debt and equity. In the context of signaling theory, ESG disclosure and financial reporting timeliness influence firm value not only by direct, but also through financing decision. (Ainurrizka & Syafrinadina, 2025) states that capital structure influence firm value, whereas (Afriyani & Nurlaela, 2026) shows that ESG influence firm value through financing policy. (Hastuti et al., 2025) also found that financial reporting quality influence firm value through condition financing. Based on this explanation, hypothesis that proposed is as following:

H5: capital structure mediates effect Environmental, Social, and Governance Disclosure (ESG) and financial reporting timeliness on firm value.

3. METHODS

This study employs a quantitative approach with an explanatory research design, which aims to examine the relationships among Environmental, Social, and Governance (ESG) disclosure, financial reporting timeliness, capital structure, and firm value. A quantitative approach is used because this study relies on numerical data analyzed statistically to empirically test the relationships among the variables.

The population of this study consists of primary consumer goods sector companies listed on the Indonesia Stock Exchange (IDX) during the 2022–2024 period, with a total of 33 companies. The selection of this sector is based on its relatively stable industry characteristics, as it produces essential goods needed by society. This stability is one of the key considerations for investors in assessing corporate sustainability. In addition, the primary consumer goods sector is relevant in the context of

ESG disclosure because it is closely related to sustainability aspects that may influence long-term investment decisions.

The sampling technique used in this study was purposive sampling, which refers to a sample selection technique based on specific criteria aligned with the research objectives. This method was applied to ensure the suitability of the sample and the completeness of the research data. The sample criteria include: (1) companies consistently listed on the IDX during the 2022–2024 period; (2) companies that published complete annual financial statements during the study period; (3) companies that disclosed ESG information in annual reports and/or sustainability reports; (4) companies with complete data related to all research variables; and (5) companies that did not experience delisting during the study period.

Type data that used is secondary data that obtained through technique documentation. data sourced from annual reports (annual report), sustainability reports (sustainability reports), and data price shares closing (closing price) that obtained through official website Indonesia Stock Exchange (www.idx.co.id) and official website respective company.

The research variables were operationalized quantitatively. Firm value was measured using Price to Book Value (PBV). Environmental, Social, and Governance (ESG) disclosure was measured using the ESG Disclosure Index, obtained through content analysis of company sustainability reports. This index includes three main dimensions: environmental, social, and governance. Financial reporting timeliness was measured using a dummy variable, while capital structure was measured using the Debt to Equity Ratio (DER). Details of variable operationalization are presented in Table 2.

Table 1. Operational Variables

No	Variable	Measurement	Scale
1	Environmental, Social, and Governance Disclosure (X1)	ESG Disclosure Index = total disclosed ESG items / total ESG items Score: 1 = disclosed, 0 = not disclosed	Ratio
2	financial reporting timeliness (X2)	Variable dummy: 1 = the company submitted its financial statements on time 0 = the company did not submit its financial statements on time	Nominal
3	capital structure (Z)	DER = $\frac{\text{total Liabilities}}{\text{total Equity}}$	Ratio
4	firm value (Y)	PBV = $\frac{\text{Share Price}}{\text{Value book Saham}}$	Ratio

Source: Processed by the researcher, 2026

Analysis data In this study conducted uses Statistical Package for Social Sciences (SPSS). stages data analysis includes statistics descriptive, Classical Assumption Test, and analysis multiple linear regression. statistics descriptive used to describes characteristics data through minimum, maximum, average (mean), and standard deviation. Classical Assumption Test includes Normality Test, Multicollinearity Test, and Heteroscedasticity Test to ensure model meets the assumptions Best Linear Unbiased Estimator (BLUE).

Multiple linear regression is used to examine the effect of ESG disclosure, financial reporting timeliness, and capital structure on firm value. This method enables the researcher to test the influence of the independent variables on the dependent variable both simultaneously and partially. In addition, multiple linear regression helps identify the contribution of each variable in the research model. The regression equation used in this study is presented as follows:

$$NP = \beta_0 + \beta_1ESG + \beta_2TW + \beta_3SM + \varepsilon.$$

Description:

NP = firm value

ESG = Environmental, Social, and Governance Disclosure

TW = financial reporting timeliness (Timeliness)

SM = capital structure

β_0 = Constant

β_1 - β_3 = Coefficient regression

ε = error term

Testing hypothesis conducted through T-Test to test partial effect of each-independent variable on dependent variable, and F-Test to test effect simultaneous. Coefficient of Determination (R^2) used to assess model ability to explain variation in firm value.

Mediation analysis in this study was conducted using the Baron and Kenny (1986) approach through multiple regression testing stages. The first stage tests the effect of the independent variable on the dependent variable. The second stage tests the effect of the independent variable on the mediating variable. The third stage tests the effect of the independent variable and the mediating variable simultaneously on the dependent variable. A mediating variable is stated to play a role if: (1) the independent variable affects the mediating variable, (2) the mediating variable affects the dependent variable, and (3) there is a change in the effect coefficient of the independent variable on the dependent variable after the mediating variable is included in the model.

4. RESULTS AND DISCUSSION

4.1 Descriptive Test

Table 2. Descriptive Statistics

Variable	N	minimum	Maximum	Mean	Std. Deviation
ESG	99	0,7	1,0	0,997	0,0302
Reporting Timeliness	99	0	1	0,83	0,379
capital structure	99	0,1	29,3	1,138	2,9365
firm value	99	0	14	2,58	2,437
Valid N (listwise)	99				

Source: Processed by the researcher, 2026

Analysis statistics descriptive shows that variable ESG has value average 0,997 with a value minimum 0,7 and maximum 1,0, that reflects that implementation ESG on company sample tends high and relatively consistent. financial reporting timeliness has average 0,83, that shows that some large company has submit report sesuai provision. Capital structure has an average value of 1.138, with values ranging from 0.1 to 29.3. This indicates differences in financing policies and financial risk levels among the companies. Meanwhile, firm value has an average value of 2.58, with a minimum value of 0 and a maximum value of 14. These results show that there is variation in market valuation across companies in the sample.

4.2 Classical Assumption Test

Classical Assumption Test conducted to ensure that model regression has meets assumption basic, so that results the analysis can reliable. Testing this includes Normality Test, multicollinearity, and heteroscedasticity.

4.3 Normality Test

Table 3. Normality Test

Description	Value
Kolmogorov-Smirnov Sig.	> 0,05

Source: Processed by the researcher, 2026

The normality test was conducted using the Kolmogorov-Smirnov test to determine whether the data were normally distributed. Based on Table 3, the significance value was

greater than 0.05. Therefore, it can be concluded that the data are normally distributed and meet the normality assumption.

4.4 Multicollinearity Test

Table 4. Multicollinearity Test

Variable	Tolerance	VIF
ESG disclosure	0,998	1,002
Reporting Timeliness	0,998	1,002

Source: Processed by the researcher, 2026

Multicollinearity Test conducted to identify the presence of correlation among independent variable. Based on the table 4, all variable has value Tolerance larger from 0,10 and value Variance Inflation Factor (VIF) less from 10, so that it can be concluded that does not there are multicollinearity in model study.

Table 5. Heteroscedasticity Test

Variable	Sig.
ESG disclosure	> 0,05
Reporting Timeliness	> 0,05

Source: Processed by the researcher, 2026

Heteroscedasticity Test conducted to determine apakah there are inequality varians residual in model regression. Based on the table 5, all variable has significance value >0,05, so that it can be concluded that does not occurred symptoms heteroscedasticity in model study.

4.5 Regression model Test 1

Table 6. Results Regression model Test 1

model	Variable	B	Std. Error	Beta	t	Sig.
1	(Constant)	25,875	7,819	-	3,309	0,001
	ESG disclosure	-22,346	7,799	-0,276	-2,865	0,005
	Reporting Timeliness	-1,233	0,620	-0,192	-1,988	0,050

Dependent Variable: firm value (Y)

Source: Processed by the researcher, 2026

model regression 1 In this study formulated as following:

$$NP = \beta_0 + \beta_1 ESG + \beta_2 TW + \varepsilon.$$

Based on the table 6, ESG disclosure has a significant effect on firm value ($p = 0,005 < 0,05$) with coefficient -22,346 that shows a negative relationship direction. financial reporting timeliness has no significant effect on firm value ($p = 0,050 \geq 0,05$). Value R^2 of 0,108 shows that the model explains 10,8% variation in firm value.

4.6 Regression model Test 2

Table 7. Results Regression model Test 2

model	Variable	B	Std. Error	Beta	t	Sig.
1	(Constant)	9,507	9,701	-	0,980	0,330
	ESG disclosure	-6,942	9,676	-0,071	-0,718	0,475
	Reporting Timeliness	-1,747	0,770	-0,226	-2,270	0,025

a. Dependent Variable: capital structure (Z)

Source: Processed by the researcher, 2026

model regression 2 In this study formulated as following:

$$SM = \beta_0 + \beta_1ESG + \beta_2TW + \varepsilon.$$

Results testing on Table 7 shows that ESG disclosure not has effect that significant on capital structure ($p = 0,475 > 0,05$). conversely, financial reporting timeliness has a significant effect on capital structure with a significance value of 0,025 ($p < 0,05$) and regression coefficient of -1,747. Value R^2 of 0,054 indicates that the model explains 5,4% variation in capital structure.

4.7 Regression model Test 3

Table 8. Results Regression model Test 3

model	Variable	B	Std. Error	Beta	t	Sig.
1	(Constant)	2,107	0,229	-	9,182	0,000
	capital structure	0,411	0,073	0,496	5,622	0,000

Source: Processed by the researcher, 2026

model regression 3 In this study formulated as following:

$$NP = \beta_0 + \beta_1SM + \varepsilon.$$

Based on the table 8, capital structure has a significant effect on firm value with a significance value of 0,000 ($p < 0,05$) and regression coefficient of 0,411. Value Coefficient of Determination (R^2) of 0,246 shows that capital structure explains of 24,6% variation in firm value.

4.8 Mediation Test Results

Table 9. Mediation Test Results

Variable	B	Beta	t	Sig.
ESG → capital structure	-6,942	-0,071	-0,718	0,475
timeliness → capital structure	-1,747	-0,226	2,270	0,025
capital structure → firm value	0,411	0,496	5,622	0,000

Source: Processed by the researcher, 2026

Testing mediation In this study conducted uses approach Baron and Kenny (1986). model mediation In this study formulated as following:

$$NP = \beta_0 + \beta_1ESG + \beta_2TW + \beta_3SM + \varepsilon.$$

Based on the table 9, financial reporting timeliness not has effect that significant on firm value ($p = 0,050 > 0,05$), however has a significant effect on capital structure ($p = 0,025 < 0,05$), and capital structure also proven has a significant effect on firm value ($p = 0,000 < 0,05$). This condition shows that effect financial reporting timeliness on firm value occurred by not direct through capital structure, so that indicates the presence of mediation full (full mediation). conversely, ESG disclosure not shows effect that significant on capital structure ($p = 0,475 > 0,05$), so that capital structure not plays a role as a mediating variable in relationship between ESG disclosure and firm value.

4.9 The Effect of Environmental, Social, and Governance Disclosure (ESG) on firm value

Based on the regression model 1 test results, Environmental, Social, and Governance (ESG) disclosure has a significant effect on firm value, with a significance value of 0.005 and a regression coefficient (beta) of -0.276, so the first hypothesis (H1) is accepted. These results indicate that increased ESG disclosure is instead followed by a decrease in firm value, meaning that ESG has not been fully responded to as a positive signal by investors. From the perspective of signaling theory, ESG disclosure should reduce information asymmetry and increase market trust. However, in this study, ESG tends to be perceived as a cost or risk that has not yet provided direct economic benefits. Prayogo et al. (2025) show that ESG has

not yet provided a significant economic impact for investors. Nurmala and Pratama (2025) state that investors prioritize financial information over ESG information. Kholida et al. (2025) found that ESG disclosure can increase investor trust. This condition indicates that the effectiveness of ESG as a signal still depends on market perception.

4.10 The Effect of Reporting Timeliness on firm value

The analysis results in Model 1 show that financial reporting timeliness has no significant effect on firm value, with a significance value of 0.050 and a regression coefficient (beta) of -0.192; therefore, the second hypothesis (H2) is rejected. These findings indicate that reporting timeliness has as not yet become the main determinant in investor assessment. In the framework of signaling theory, timely reporting should reflect transparency. However, investors in this study focus more on the substance of information than on submission timing. Sibarani and Panjaitan (2025) state that investors focus more on the content of financial statements than on their timeliness. Astuti and Sawalla (2025) found that reporting timeliness can increase investor trust because it reflects corporate transparency. Astuti and Sawalla (2025) also show that reporting timeliness improves information credibility in the eyes of investors. This indicates that timeliness has not yet become the dominant factor in increasing firm value.

4.11 The Effect of Environmental, Social, and Governance Disclosure (ESG) on capital structure

Based on the regression model 2 test results, ESG disclosure has no significant effect on capital structure, with a significance value of 0.475 and a regression coefficient (beta) of -0.071; therefore, the third hypothesis (H3) is rejected. These results indicate that ESG has not yet become a primary consideration in corporate financing decisions. From the perspective of signaling theory, ESG should provide a signal regarding governance quality and company risk. However, in practice, capital structure decisions are still dominated by financial factors. Amanda and Setijaningsih (2025) show that ESG does not affect capital structure because financing policy is more influenced by the company's internal condition. M. Fakhriansyah et al. (2025) state that the effect of ESG on financial decisions remains inconsistent under various conditions. This condition emphasizes that ESG has not yet become a strategic factor in capital structure policy.

4.12 The Effect of Reporting Timeliness on capital structure

The test results in Model 2 show that financial reporting timeliness has a significant effect on capital structure, with a significance value of 0.025 and a regression coefficient (beta) of -0.226; therefore, the fourth hypothesis (H4) is accepted. These results indicate that information quality reflected in reporting timeliness can increase investor and creditor trust, thereby influencing corporate financing decisions. From the perspective of signaling theory, timely information plays a role in reducing information asymmetry. Nesta and Amir (2023) state that reporting timeliness improves company information quality. Alvionita et al. (2025) show that financial reporting quality plays a role in reducing information asymmetry. Sibarani and Panjaitan (2025) found that reporting quality influences creditors' risk perceptions. This indicates that reporting timeliness plays a role in forming capital structure.

4.13 capital structure as a mediating variable

The mediation test results show that capital structure mediates the effect of financial reporting timeliness on firm value, as indicated by the significant effect of timeliness on capital structure (beta = -0.226, sig. 0.025) and capital structure on firm value (beta = 0.496, sig. 0.000), while the direct effect of timeliness on firm value is not significant (beta = -0.192, sig. 0.050). Therefore, the fifth hypothesis (H5) is accepted as full mediation. Conversely, ESG is not mediated by capital structure because it does not affect capital structure (beta = -0.071, sig. 0.475). From the perspective of signaling theory, information quality influences firm value through financing decisions. Styawati et al. (2026) state that capital structure plays a role as a link between information quality and firm value. Tawfiq et al. (2024) show that financing decisions affect firm value. Gulo and Rahayu (2026) found that information quality

influences firm value through financing conditions. This condition shows that the mediating role of capital structure is selective.

5. CONCLUSION

This study aims to test the effect of Environmental, Social, and Governance (ESG) disclosure and financial reporting timeliness on firm value with capital structure as a mediating variable. The results show that ESG disclosure has a significant negative effect on firm value, whereas financial reporting timeliness has no significant effect on firm value. In addition, ESG disclosure does not affect capital structure, while financial reporting timeliness has a significant effect on capital structure. Capital structure is also proven to have a significant effect on firm value and only mediates the effect of financial reporting timeliness on firm value, but does not mediate the effect of ESG on firm value. These findings indicate that ESG information has not been fully responded to positively by the market, whereas financial reporting quality plays a greater role through corporate financing mechanisms.

The implications of this study indicate that companies need to improve the quality of ESG disclosure in a more substantive manner, so that it is not merely treated as a formality but can also provide added value for investors. Companies also need to maintain financial reporting timeliness as a form of transparency to enhance the trust of investors and creditors. For investors, consideration of non-financial information, including ESG disclosure and financial reporting timeliness, is important to complement financial performance analysis in making investment decisions.

This study has several limitations. The scope of the sample is limited to companies in the primary consumer goods sector, and the observation period is relatively short; therefore, the findings cannot be broadly generalized. In addition, ESG measurement in this study still uses a disclosure index, which may not fully reflect the quality of ESG implementation in depth. Based on these limitations, future research is recommended to expand the sectoral coverage and observation period, as well as to consider additional variables so that the findings obtained can be more comprehensive.

REFERENCES

- Afriyani, L. A., & Nurlaela, S. (2026). *Determinants of Firm Value in LQ45 Companies Listed on the Indonesia Stock Exchange*. 10(April), 1496–1512.
- Agustin, L. (2025). *The Effect of ESG-Based Financial Statement Transparency on Investor Confidence Dhana : Jurnal Akuntansi*. 2(4), 18–24.
- Ainurrizka, F., & Syafrinadina. (2025). Studi Literatur Mengenai Peran Capital Structure dalam Meningkatkan Firm Value. *Jurnal Analisis Manajemen*, 9, 32–41.
- Alvionita, N., Cahya, A., Alfitri, S., & Febriyanti, R. (2025). *Peran Transparansi Laporan Keuangan kepada Pihak Eksternal dalam Meminimalisir Asimetri Informasi*. 2(2), 1–7.
- Amanda Rafly & Herlin Tundjung Setijaningsih. (2025). *THE EFFECT OF ESG, PROFITABILITY, AND COMPANY SIZE ON CAPITAL STRUCTURE AND ITS IMPACT ON COMPANY VALUE*. 8(3), 9329–9346.
- Angir, P. (2024). *The Influence of Environmental , Social , and Governance (ESG) Disclosure on Firm Value : An Asymmetric Information Perspective in Indonesian Listed Companies*. 15(March). <https://doi.org/10.21512/bbr.v15i1.10460>
- Anisa Nur Ramdania. (2025). Pengaruh ESG Disclosure Terhadap Firm Value. *Jurnal Ekonomi, Manajemen, Akuntansi Dan Keuangan*, 6(1), 742–747. <https://doi.org/10.53697/emak.v6i1.2257>
- Arfan Trino Lesmana dan Abdul Rasyid, Zakaria, Muhamad Yamin Noch, F. P. (2025). *Determinasi Ukuran Profitabilitas terhadap Melalui Capital Structure Perusahaan dan Firm Value*. 3(3), 559–579.
- Asofyan, A. A., & Indrati, M. (2025). *Pengaruh Pertumbuhan Penjualan , Profitabilitas , Capital Structure , dan Corporate Social Responsibility Terhadap Firm Value*. 18(2), 526–537.
- Astuti, R., & Sawalla, M. (2025). Pengaruh Kinerja Keuangan, Financial Reporting Timeliness dan Keputusan Pendanaan terhadap Firm Value. *RIGGS: Journal of Artificial Intelligence and Digital Business*, 4(4), 388–393. <https://doi.org/10.31004/riggs.v4i4.3335>

- Ayagi, S. R., & Salisu, M. (2023). *Financial Reporting Quality and Information Asymmetry: A Review of Empirical Literature*. 1(3), 19–29.
- Fajar Adam Pratama. (2025). *ANALISIS KEUANGAN BERKELANJUTAN DALAM MENINGKATKAN KEPERCAYAAN INVESTOR DI INDONESIA*. 5(2), 287–304.
- Fauzani, A., & Rahim, R. (2022). Analisis Ketepatan Waktu Penyampaian Laporan Keuangan Kepada Publik: Studi Empiris Pada Perusahaan Manufaktur Sektor Industri Barang Konsumsi yang Terdaftar di BEI Periode 2017-2020. *Jurnal Manajemen Strategik Dan Simulasi Bisnis*, 3(1), 49–67. <https://doi.org/10.25077/mssb.3.1.49-67.2022>
- Febtiani, E. T., & Isbanah, Y. (2024). Pengaruh profitabilitas, operating leverage, sales growth, struktur aset, CEO female dan CEO tenure terhadap struktur modal. *Jurnal Ilmu Manajemen*, 12, 379–394. <https://doi.org/10.26740/jim.v12n2.p379-394>
- Gulo, W. R., & Rahayu, E. (2026). *Peran Capital Structure dalam Meningkatkan Firm Value pada BPR The Role of Capital Structure in Increasing Company Value in BPR*. 8(4), 1600–1608. <https://doi.org/10.34007/jehss.v8i4.3050>
- Hapriyanto, A. R., Info, A., & Digital, E. (2024). *Multidisciplinary Science Strategi Inovatif dalam Meningkatkan Daya Saing Bisnis di Era Digital*. 2(1), 115–124.
- Hastuti, P. M. D., Rahayu, S., & Efendi, M. J. (2025). Transparency or Illusion? An Analysis of Financial Report Quality and Investor Confidence. *Jurnal Informatika Ekonomi Bisnis*, 7, 880–885. <https://doi.org/10.37034/infeb.v7i4.1302>
- Hidayat, R. (2024). Mandiri : Jurnal Akuntansi dan Keuangan Determinasi Firm Value Berdasarkan Keputusan Investasi , Pendahuluan. *Jurnal Akuntansi Dan Keuangan*, 3(2).
- Inayah, W. F. P., & Setiawati, E. (2025). Faktor Penentu Ketepatan Pelaporan Keuangan Perusahaan : Perusahaan Non Keuangan Di Indonesia Tahun 2021-2023. *Edunomika*, 9(2), 1–16.
- Kholida, N., Hapsari, L., & Hikmah, I. N. (2025). *The Impact of ESG (Environmental , Social , Governance) Initiatives on Investment Decisions in the Indonesian Capital Market Article history* : 4(2).
- Kusnaedi, U., Nodi, A., & Putra, M. (2025). *Firm Value Di Tengah Dinamika Modal Dan Laba : Studi Empiris Sektor Konsumsi Yang Terdaftar Di Bursa Efek Indonesia*. 3, 401–412.
- Kusuma dan Wijaya. (2023). *Pengaruh Kinerja Lingkungan, Sosial dan Corporate Governance terhadap Kinerja Pasar dengan Kontroversi ESG sebagai Variabel Pemoderas*. 11(2).
- M. Fakhriansyah, Devia Septyani, & K.M. Faisal Reza. (2025). Pengaruh ESG Disclosure Terhadap Firm Value. *Jurnal Ekonomi, Manajemen, Akuntansi Dan Keuangan*, 6(1), 1–6. <https://doi.org/10.53697/emak.v6i1.2257>
- Masfiah, D., & Sulistyowati, E. (2025). Pengaruh Pengungkapan Environmental , Social , Governance . *Jurnal Ilmu Dan Riset Akuntansi*, 14(5), 1–23.
- Mohamadarian Ghahremanizahraie, & Blue, G. (2025). *The Impact of Accounting Information Quality on the Cost of Equity Capital of Company*.
- Nasihin, I., Hendriani, M., Puspitasari, M., & Rahman, F. (2022). Analisis Rasio Keuangan Terhadap Perubahan Laba Di Bursa Saham Syariah Dengan Pertumbuhan Ekonomi Sebagai Variabel Moderasi. *Jurnal Ecodemica Jurnal Ekonomi Manajemen Dan Bisnis*, 6(1), 111–122. <https://doi.org/10.31294/eco.v6i1.11858>
- Nasihin, I., & Purwandari, D. (2022). Analysis of the Effect of Profitability, Liquidity, and Firm Size on the Timeliness of Financial Report Submission. *Jurnal Maksipreneur: Manajemen, Koperasi, Dan Entrepreneurship*, 12(1), 33. <https://doi.org/10.30588/jmp.v12i1.989>
- Nasihin, I., Purwandari, D., Ardiansyah, H. N., Kartika, E., & Prawatiningsih, D. (2025). Faktor Penentu Firm Value: Peran Firm Size dan Profitabilitas di Indonesia. *Gorontalo Accounting Journal*, 8(1), 152–164. <https://doi.org/10.32662/gaj.v8i1.4007>
- Nesta & Amir. (2023). *THE EFFECT OF CAPITAL STRUCTURE , PROFITABILITY , LEVERAGE AND COMPANY SIZE ON COMPANY VALUE*. 4(2). <https://doi.org/10.30595/ratio.v4i2.18204>
- Novrianti Manulang, & Harry Z. Soeratin. (2024). Pengaruh Pengungkapan Environmental, Social, Dan Governance Terhadap Firm Value. *Journal of Business Economics and Management* | E-ISSN : 3063-8968, 1(2), 72–77. <https://doi.org/10.62379/jbem.v1i2.64>
- Nur, S., Suciyanti, V. N., Winarti, A., & Azmi, Z. (2024). Pemanfaatan Teori Signal dalam Bidang Akuntansi: Literatur Review. *Economics, Business and Management Science Journal*, 4(2), 55–65. <https://doi.org/10.34007/ebmsj.v4i2.564>
- Nurmala, R., & Pratama, A. (2025). Dampak Penerapan Environmental, Social, Governance (ESG) Terhadap Capital Structure dan Kinerja Keuangan Pada Perusahaan Manufaktur Di Bursa Efek Indonesia Periode 2019-2024. *RIGGS: Journal of Artificial Intelligence and Digital Business*, 4(4), 3357–3369. <https://doi.org/10.31004/riggs.v4i4.4042>
- Pazrilia, E., & Budiantara, M. (2023). *FAKTOR-FAKTOR YANG MEMPENGARUHI KETEPATAN WAKTU*

- PENYAMPAIAN LAPORAN KEUANGAN PERUSAHAAN PADA PERUSAHAAN SEKTOR ENERGI DI BEI TAHUN 2019-2021. 07(02), 1–15.
- Prayogo, E., Handayani, R., & Regina, S. (2025). ESG DISCLOSURE, INTELLECTUAL CAPITAL, FIRM VALUE: MODERATING ROLE OF EARNINGS MANAGEMENT. 15(1), 233–247. <https://doi.org/10.22219/jrak.v15i1.36076>
- Rambe, A. N., & Imsar, I. (2025). Kebijakan Dividen dan Profitabilitas sebagai Faktor Penentu Capital Structure Perusahaan Manufaktur di Sektor Barang Konsumen Primer. *SCIENTIFIC JOURNAL OF REFLECTION : Economic, Accounting, Management and Business*, 8(3), 1220–1230. <https://doi.org/10.37481/sjr.v8i3.1244>
- Riyadhita, V., Septiawati, R., Nasihin, I., Studi, P., Universitas, A., & Perjuangan, B. (2026). Pengaruh Sustainability Report , Intellectual Capital Dan Firm Size Terhadap Firm Value Pada Perusahaan Energi Yang Terdaftar Di Bursa Efek Indonesia (Bei) Periode. *Jurnal Bisnis & Akuntansi Volume*, 15(2), 212–223.
- Sahrinra, I., Yuliusman, Y., & Hernando, R. (2025). Pengaruh Capital Structure Terhadap Kinerja Keuangan Dengan Firm Size Sebagai Variabel Moderasi. *Journal of Innovation in Management, Accounting and Business*, 4(3), 521–531. <https://doi.org/10.56916/jimab.v4i3.2572>
- Sibarani, A. M., & Panjaitan, R. Y. (2025). THE INFLUENCE OF TIMELINESS IN DIGITAL FINANCIAL REPORTING (EREPORTING) ON MARKET REACTION AT THE INDONESIA STOCK EXCHANGE: THE MEDIATING ROLE OF INFORMATION ASYMMETRY. 7(2), 404–423. <https://doi.org/10.36985/ywtgas73>
- Styawati, W., Dwi, R., Nazwa, S., Rahmah, N. A., & Nur, S. (2026). Analisis Pengaruh Capital Structure terhadap Firm Value Manufaktur : Studi Literatur pada Perusahaan yang Terdaftar di BEI. 2153–2162.
- Tasri, N. R., & Sukiswo, W. H. D. (2025). Pengaruh Firm Size Dan Achievement Terhadap Pengungkapan Sustainability Report. *Equilibrium: Jurnal Ilmiah Ekonomi, Manajemen Dan Akuntansi*, 14(2), 337. <https://doi.org/10.35906/equili.v14i2.2441>
- Tawfiq, T. T., Tawaha, H., Tahtamouni, A., & Almasria, N. A. (2024). The Influence of Environmental, Social, and Governance Disclosure on Capital Structure: An Investigation of Leverage and WACC. *Journal of Risk and Financial Management*, 17(12), 1–16. <https://doi.org/10.3390/jrfm17120570>
- Velte, P. (2023). Sustainable institutional investors and corporate biodiversity disclosure: Does sustainable board governance matter? *Corporate Social Responsibility and Environmental Management*, 30(6), 3063–3074. <https://doi.org/10.1002/csr.2537>
- Wahyuni, F., & Ahdim, H. S. (2025). Pengaruh Pengungkapan Environmental, Social, and Governance terhadap Kinerja Keuangan dengan Financial Slack sebagai Moderasi. *Reviu Akuntansi Dan Bisnis Indonesia*, 9(1), 204–227. <https://doi.org/10.18196/rabin.v9i1.27002>
- Wu, L., Sun, H., & Chen, L. (2025). The Impact of ESG Information Disclosure on Corporate Environmental Performance: Evidence from China's Shanghai and Shenzhen A-Share Listed Companies. *Sustainability (Switzerland)*, 17(23), 1–22. <https://doi.org/10.3390/su172310583>
- Zebua, T. D. R., & Prasetyanta, A. (2024). Pengaruh Capital Structure, Firm Size dan Umur Perusahaan Terhadap Firm Value Perbankan yang Terdaftar di Bursa Efek Indonesia (BEI) Periode Periode 2017-2022 Titus. *Journal of Accounting and Taxation*, 18(2), 163–175.