The Role of ESG Disclosure in Moderating Financial Distress on Company Value

Faradilla Saulina Febriani[1]*, **Zaky Machmuddah[2]**

[1,2] Accounting Program Study, Universitas Dian Nuswantoro, Indonesia
*Corresponding Author

Info Article

Abstract

_____

Market value volatility in manufacturing threatens corporate sustainability. This research examines how ESG disclosure moderates the link between financial distress and firm value. The sample comprises 85 Indonesian companies selected through purposive sampling. Data came from annual reports, IDX financial statements, and Bloomberg ESG ratings. We analyzed data using regression analysis in IBM SPSS Statistics 25. Results show financial distress significantly lowers firm value; greater financial pressure reduces valuation. ESG disclosure, as a moderator, eases this negative effect, lessening the impact of financial distress. These findings support Signaling and Legitimacy Theory: financial distress sends negative signals, while ESG disclosure preserves legitimacy and sends positive signals to investors. ESG disclosure's moderating role is key in shaping how markets perceive the effects of financial distress on firm value. This study contributes to financial risk management and corporate sustainability during economic challenges and urges companies to adopt risk-mitigation and sustainable practices.

JEL Classification: G32, G33, M14

Introduction

The current economic landscape indicates that firm value is a key indicator of a company's financial health and success. It not only influences investor perspectives but also measures financial health and competitiveness in the capital market (Handayani et al., 2024). Several studies have stated a positive relationship between firm value and a company's ability to manage risk and generate sustainable profits. According to Wijaya (2020), companies with high market value gain greater trust from investors and stakeholders. In contrast, a decline in firm value erodes market confidence and can threaten sustainability. Thus, understanding and managing firm value is crucial for companies to survive and grow amid uncertainty and intense competition.

This issue is crucial for manufacturing companies, which often face major swings in firm value, especially during 2020–2024. In 2025, the S&P Global Indonesia Manufacturing PMI dropped to 46.7 in April from 53.6 in February, the sharpest contraction since August 2021 (Business-Indonesia, 2025). Fluctuations in firm value result from global market conditions, supply chain disruptions, and domestic factors (Untara & Lestari, 2024). These swings directly affect stock prices and market capitalization, making firm value unstable and vulnerable to decline.

Stock price and market value fluctuations are also seen in manufacturing company stocks listed on the Indonesia Stock Exchange (BEI). IDX data shows that PT. Krakatau Steel (Persero) Tbk. saw its stock price decline from 2020 to 2024. This decline results from weakened financial performance, including falling revenues and capital structure risks from lower equity. As a result, the company's competitiveness and market perception of long-term value have dropped, leading to a decrease in firm value.

A continuous decline in firm value can have serious consequences, especially for the company's financial health if left unaddressed. Hamzah et al. (2025) stress that firm value must be the primary focus of a company, as it supports sustainability. A drop in firm value directly affects funding and operations, including making external financing harder to get, raising the cost of capital, and weakening information flow between management and investors (Liu et al., 2024). If this persists over the long term, it limits the company's ability to expand, stifles innovation, and increases its vulnerability to external pressures.

Previous studies have identified several factors influencing firm value, including financial ratios, capital structure, and tax avoidance (Adhyasta & Sudarsi, 2023; Prasetyo & Hermawan, 2023; Sari, 2022). Most studies still focus on conventional financial variables. They should also consider long-term strategic factors such as Financial Distress and Environmental, Social, and Governance (ESG) disclosure, which are increasingly important in modern business competition. Financial difficulty arises when a corporation struggles to meet its commitments (Arum et al., 2023). This can lower investor confidence and depress stock prices. If not managed well, this financial pressure can lead to bankruptcy (Saputra & Andani, 2023).

Another strategic factor gaining importance for corporate sustainability is ESG practices. ESG disclosure shows a company's transparency in reporting environmental, social, and governance performance. This highlights the company's accountability and commitment to sustainable operations (Antonius & Ida, 2023). As interest in sustainable business practices rises globally, ESG disclosure has become a key research topic, especially for understanding sustainability quality, which can influence investment decisions and help maintain firm value stability. Rules such as POJK No. 51/POJK.03/2017 have prompted improvements in ESG disclosure, but significant variation in application remains.

Previous studies have shown inconsistent links among financial distress, firm value, and ESG disclosure. Arum et al. (2023) found a strong association between firm value and financial hardship, suggesting that financial distress may influence a company's value. Adisti and Machdar (2024) and Pratiwi et al. (2024) also found that financial difficulty affects business value. However, Aryani and Saputra (2024) and Kurniawati and Idayati (2023) found no significant impact of financial distress on company value. ESG disclosure is seen as a key factor in corporate sustainability, but findings remain mixed. Lisdiono and Putri (2025) found that mandatory

sustainability reporting significantly increases business value. In contrast, Nurdialy and Wijaya (2025) found that although most issuers have sustainability reports, many lack quality in areas such as strategy, governance, and external verification. Only a few companies obtain external assurance. Sedyasana & Wijaya (2024) also found that ESG disclosure does not significantly affect company value. These inconsistent results indicate an empirical gap that needs a comprehensive reassessment.

This research examines how financial distress affects company value and explores ESG disclosure as a moderating factor on this relationship. Previous studies focused mainly on the direct link between financial distress and firm value. Few have considered ESG disclosure as a moderator, especially in Indonesia, where ESG practices are new (Nurcahyono et al., 2025). This study is novel in addressing this gap by examining all three factors together, particularly the role of ESG as a moderator in the manufacturing sector. The research focuses on Indonesian manufacturing companies from 2020 to 2024, using an integrated framework of signaling and legitimacy theories.

According to the 2024 BPS statistics, the manufacturing sector is a cornerstone of the economy, accounting for 17.18% of GDP (Waluyo, 2024). Aligned with the strategic role of the manufacturing sector, financial distress in this sector can significantly impact national economic stability if not properly addressed. Therefore, this research aims to make an academic contribution by enriching the literature on the role of ESG disclosure as a moderating variable in the relationship between financial distress and firm value. The study also aims to make practical contributions to companies by offering strategic guidance on prioritizing the quality of ESG disclosure to mitigate the effects of financial distress on firm value. For regulators, the research findings are expected to serve as a basis for formulating policies that promote corporate sustainability.

Literature Review

Hypothesis Development

Financial distress is a situation in which a company has difficulty meeting its short- and long-term financial obligations. In this context, 'operational continuity' means the company's ongoing ability to function and carry out its normal activities, while 'liquidity' describes the firm's capacity to meet its immediate financial liabilities with available assets (Altman, 1968; Nuladani & Saputra, 2024). When companies experience financial distress, profits usually decline due to higher operating costs and interest expenses. This reduction in profit leads to decreased cash flows, which in turn lowers the ability to meet obligations, reducing liquidity and increasing bankruptcy risk. Financial distress can be measured using the Altman Z-Score, a model that provides a comprehensive assessment by incorporating five key financial ratios (Sinta Nuria & Cholis Hidayati, 2023).

Based on Signalling Theory by Spence (1973), companies send "signals" through the disclosure of information in both financial and non-financial reports, or through strategic decisions that reflect the company's quality and future prospects. Companies experiencing financial distress convey negative signals regarding their financial condition. Those negative signals can heighten investors' risk perceptions, thereby driving stock price declines that ultimately reduce firm value (Accounting, 2021). Prior research has established a significant association between financial distress and firm value (Wawo & Nirwana, 2022). This evidence is reinforced by the studies of Hikmah et al. (2024) and Monica and Sulfitri (2023), which show that financial distress exerts a significant negative influence, indicating that increased financial distress is associated with a decline in firm value. Considering the explanation provided, the following hypothesis is developed:
H1: *Financial Distress has a significant and negative effect on Firm Value*

Environmental, Social, and Governance (ESG) indicators are non-financial metrics that assess a company's management of environmental issues (such as resource use and emissions), social aspects (such as employee relations and community impact), and corporate governance (board structure and ethical conduct) (Melinda

& Wardhani, 2020). High-quality ESG disclosure signals effective risk management and commitment to sustainable business practices. Implementing these three pillars in line with standards and regulations helps companies face and manage future risks (Hariyanto & Ghozali, 2024). ESG disclosure is presumed to moderate the relationship between financial distress and firm value, altering the magnitude and direction of the effect. This study uses the Bloomberg ESG Score as the main proxy because of its comprehensive, globally consistent standards (Sari & Widiatmoko, 2023).

According to legitimacy theory by Suchman (1995), companies with strong ESG disclosure gain social legitimacy. This enhances investor confidence and increases resilience against disruptions, such as financial distress. Strong corporate legitimacy also acts as a positive signal that may moderate the negative impact of financial distress by building market confidence. Harymawan et al. (2021) found that financially distressed companies tend to have lower ESG disclosure quality. Fatemi et al. (2018) discovered that disclosure can help mitigate the negative effects of weaknesses. Research by Nurcahyono et al. (2025) and Prayogo et al. (2025) suggests ESG serves as a moderating factor in the relationship between financial distress and firm value. Considering this explanation, the following hypothesis is developed:

H2: *ESG moderates the effect of Financial Distress on Firm Value*
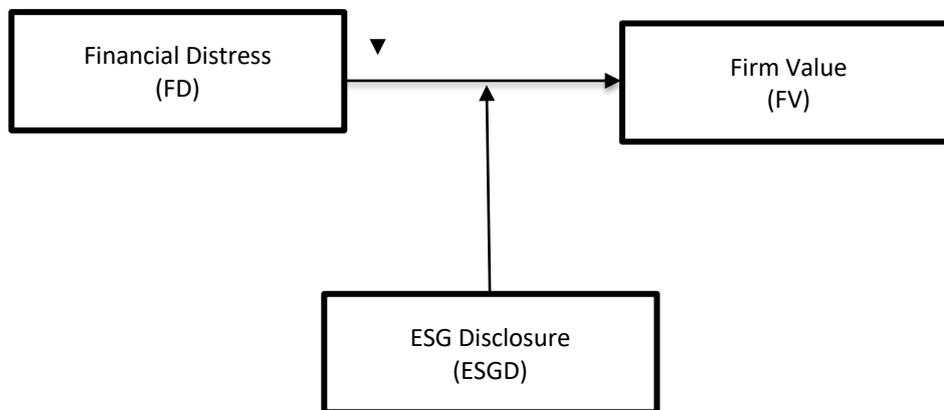

Figure 1. Conceptual Framework

Method

This study's methodology uses a quantitative approach to investigate how financial distress and firm value are related, and how ESG disclosure moderates this relationship. Manufacturing businesses listed on the Indonesia Stock Exchange (IDX) comprise the research population. Purposive sampling was used to select the sample based on a number of criteria: (i) manufacturing companies listed on the IDX between 2020 and 2024; (ii) companies that consistently disclosed ESG data during the observation period; and (iii) companies that were not delisted or suspended from trading. After applying these standards, 85 observations in total satisfied the criteria and were selected as the study sample. To clarify the sample selection process, the following flowchart is presented in the table:

Table 1. Sample *Selection Process*

No	Criteria Sample	Total
1	Indonesian companies listed in Bloomberg Database	1.003
2	Companies not reporting ESG Disclosure during research period	(911)
3	Companies disclosing ESG during research period	92
4	Companies not in manufacturing sector	(69)
5	Manufacturing companies	25
6	Manufacturing companies experiencing trading suspension	(2)
7	Manufacturing companies without trading suspension	23
8	Total sample during research period (4 years)	23 x 4 = 92
9	Samples indentified as outliers	(7)

No	Criteria Sample	Total
10	Final sample	85

This study uses data from annual reports and financial statements of manufacturing companies listed on the Indonesia Stock Exchange (IDX). It also uses extra information from the companies' websites for the years 2020–2024. Each company's ESG Score comes from Bloomberg. The data were collected using a lag t+1 approach. Financial distress (Findis) indicates a company's likelihood of financial problems, and ESG disclosure (ESGdis) indicates how much a company reports on its environmental, social, and governance practices. Both Findis and ESGdis were measured for 2020–2023 (t), while firm value, meaning the company's market value, was measured for 2021–2024 (t+1). This approach helps show if there are delayed effects from financial distress and ESG disclosure on firm value, since these often affect the following year. The variables are measured as follows:

Table 2. *Variable Measurement*

Variable	Measurement
Firm Value	*Price Book Value (PBV)* $$PBV = \frac{Stock\ Price\ per\ Share}{Book\ Value\ per\ Share}$$ (Toyibah & Ruhiyat, 2023)
Financial distress	*Altman Z-Score* $$Z = 1{,}2X1 + 1{,}4X2 + 3{,}3X3 + 0{,}6X4 + 1{,}0X5$$ Explanation: X1 = Working Capital / Total Asset, X2 = Retained Earnings / Total Asset, X3 = Earnings Before Interest and Tax (EBIT) / Total Asset, X4 = Market Value of Equity (MVE) / Book Value of Total Liabilities, dan X5 = Sales / Total Asset (Liang et al., 2020) The calculation results are then represented using a dummy variable: ● 0 for a Z-score greater than 1.81, indicating a non-financial distress condition ● 1 for a Z-score less than 1.81, indicating a financial distress condition (Lagasio et al., 2023)
ESG disclosure	ESG Score from bloomberg database (Wijaya, 2020)

The data are analyzed using IBM SPSS Statistics 25. This research employs simple linear regression and Moderated Regression Analysis (MRA) to examine how financial distress affects firm value, and moderation analysis to examine how ESG disclosure moderates the relationship between the two variables. The sample data in this research undergo several testing stages, including descriptive statistical tests, classical assumption tests (normality, multicollinearity, autocorrelation, and heteroscedasticity), simple linear regression analysis, Moderated Regression Analysis (MRA), and the coefficient of determination to ensure the reliability and consistency of the research results.

The regression model in this study is:

$$FV = \propto\ + \beta FD + \ \varepsilon \ \dots\dots\dots\dots\dots\ (1)$$

$$FV = \propto\ + \beta1 FD + \ \beta2 ESGD + \ \beta3(FD * ESGD) + \ \varepsilon \ \dots\dots\dots\ (2)$$

FV represents firm value; α represents the regression constant; FD represents financial distress; ESGD represents ESG disclosure; FD x ESGD represents the interaction between financial distress and ESG disclosure; and ε denotes the error term.

This study excludes control variables from the regression model for several methodological reasons. This approach is adopted because the research is grounded in signaling and legitimacy theories, specifically to

test the connection between financial distress and firm value, as well as ESG's role as a moderating variable. According to methodological literature, incorporating control variables requires robust theoretical justification and is not mandatory in regression or moderation analysis (Hünermund & Louw, 2024). Additionally, this study follows prior research, such as Prayogo et al. (2025) and Yuliana and Rosidah (2024), which emphasized direct relationships between the main variables and moderators, without including control variables. Considering these factors, the analysis focuses solely on the primary and moderating variables in the regression model, adhering to the parsimony principle while remaining consistent with existing empirical practices.

Result and Discussion

Descriptive statistical analysis aims to provide an overview of the variable values in this study. Based on the data processing results shown in Tables 3 and 4, there are 85 observations in total for all variables. The financial distress variable has a minimum and maximum value of 0 and 1, thus classified as a binary variable. According to Lagasio et al. (2023), if a company's Z-score is in the default zone or dark gray (<1.81), the company is considered to be in financial distress; conversely, if it is not in that zone (>1.81), the company is categorized as not experiencing financial distress. Based on this classification, 23 of the 85 observations have a value of 1 (financial distress), while 62 have a value of 0 (non-financial distress). With a mean of 0,27 and a standard deviation of 0,447, 27% of the companies in the sample are in financial distress.

Table 3. Descriptive Statistical Analysis Results

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Financial Distress	85	0	1	.27	.447
Firm Value	85	.18	5.03	1.5969	1.20752
ESG Disclosure	85	21.72	73.09	48.3455	11.55436
Valid N (listwise)	85				

Source: SPSS processed data, 2025

Table 4. Descriptive Statistical Analysis Results

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Non-Financial Distress	62	72.9	72.9	72.9
	Financial Distress	23	27.1	27.1	100.0
	Total	85	100.0	100.0	

Source: SPSS processed data, 2025

The firm value has a mean of 1,5969 and a standard deviation. deviation of 1,20752, a minimum value of 0,18, and a maximum value of 5,03. These figures suggest that firm value spans a broad range and displays substantial variability. For the ESG disclosure variable, the findings indicate a standard deviation of 11,55436, an average of 48,3455, a maximum of 73,09, and a minimum of 21,72. The average value suggests that the extent of ESG disclosure varies significantly across firms, with some companies pursuing strong sustainability initiatives while others have not yet prioritized this area. This variable uses the ESG score from Bloomberg, which ranges from 0 to 100, where higher values indicate better ESG disclosure quality. The sample includes only manufacturing-sector companies with ESG score data throughout the observation period, excluding those without ESG score data. This approach ensures measurement consistency and the reliability of the analysis results. Overall, these findings provide an overview of the data characteristics used in subsequent analyses and indicate that each variable exhibits adequate variation for this study.

Table 5. Multicollinearity Test Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	FD	.941	1.062
	ESGD	.960	1.042
	FDxESGD	.981	1.020

Source: SPSS processed data, 2025

Tolerance and Variance Inflation Factor (VIF) values are used to assess multicollinearity among variables. As presented in Table 5, the financial distress variable exhibits a VIF value of 1,062, which is below the critical threshold of 10, and a tolerance value of 0,941, exceeding the minimum criterion of 0.10. The ESG disclosure (ESGD) variable records a VIF of 1,042 and a tolerance of 0,960, both of which meet acceptable standards. Similarly, the interaction variable (FD × ESGD) has a VIF of 1.020 and a tolerance of 0.981. These findings indicate that the regression model employed in this study is free from multicollinearity issues.

Hypothesis Test
Simple Linear Regression and Moderated Regression Analysis (MRA)

Table 6. *Hyphotesis Test 1*

Model	B	t	Sig.
1 (Constant)	1.904	13.605	.000
FD	-1.136	-4.222	.000

Source: SPSS processed data, 2025

$$FV = \propto \; -1,136 + \; \varepsilon$$

The model constant of 1.904 reflects the baseline firm value in the absence of financial distress (X = 0), holding other factors constant. Meanwhile, the financial distress coefficient (X) is -1.136, indicating that firms in distress (X = 1) experience a 1.136-unit drop in firm value; this negative value, coupled with a significance level of 0.000, strongly confirms the detrimental impact of financial distress on firm value.

Table 7. *Hyphothesis Test 2*

Model	B	t	Sig.
1 (Constant)	1.035	2.072	.041
FD	-1.157	-4.327	.000
ESGD	.019	1.872	.065
FDxESGD	-.052	-2.179	.032

Source: SPSS processed data, 2025

$$Y = \; 1,035 - 1,157 + 0,019 - 0,052 + \; \varepsilon$$

The model constant of 1.035 is the predicted firm value when financial distress, ESG disclosure, and their interaction are zero. The financial distress coefficient (X) is -1.157, meaning each one-unit rise in distress lowers firm value by 1.157 units, all else equal. ESG disclosure (Z) has a small, insignificant positive coefficient of 0.019, suggesting it doesn't directly boost firm value. The interaction term (FD × ESGD) at -0.052 indicates that a 1-unit increase in both FD and ESG is associated with a 0.052-unit drop in firm value. This shows ESG disclosure makes the negative effect of distress stronger, not weaker.

Table 8. *Coefficient of Determination Test (R^2)*

Model	R	R Square	Adjusted R Square
1	.504[a]	.254	.226

Source: SPSS processed data, 2025

From the research results, an R^2 value of 0.254 was achieved. This value indicates that the factors of financial distress, ESG disclosure, and the FD × ESG interaction explain 25.4% in firm valuation variability, while the remaining 74.6% is caused by other factors not examined in this research.

Table 9. *Simultaneous Test (F-test)*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	31.076	3	10.359	9.179	.000[b]
	Residual	91.406	81	1.128		

Total	122.481	84

Source: SPSS processed data, 2025

The simultaneous F-test (F-test) yields a result of 9.179 with a Sig. value of 0.000 (<0.05). This value indicates that the variables financial distress, ESG disclosure, and the FD × ESG interaction collectively have a significant effect on firm value.

Table 10. Hypothesis Results

Hypothesis	Path Coefficients	t-value	Result
Financial Distress has a significant and negative effect on Firm Value	-1.136	13.605	Support (<Sig. 0.05)
ESG moderates the effect of Financial Distress on Firm Value	-.052	-2.179	Support (<Sig. 0.05)

Financial Distress Affects Firm Value

The study's findings show that the firm value of manufacturing enterprises listed on the IDX between 2020 and 2024 is significantly impacted negatively by financial distress, as determined by Z-Score. With a significance value of 0.000 and a coefficient of -1,136, the first hypothesis is accepted, which states that a company's firm value decreases as its financial distress increases.

Financial distress reflects a company's financial problem, which may lower investor confidence and the company's market value if they continue. From a theoretical perspective, this finding is consistent with Spence's (1973) Signaling Theory, which states that information holders send signals to others (investors) reflecting the condition of the company. Financial distress sends negative signals to the market, affecting investors' perceptions. These negative signals indicate increased risk, which tends to depress stock prices. This finding is consistent with the studies by Monica and Sulfitri (2023) and Putri et al. (2025), which concluded that a company's value is adversely affected by financial difficulties. Additionally, the study by Oksiltayuri and Luthan (2023) explains that financial distress is one of the factors contributing to the decline in firm value. Nurjanah et al. (2025) also found that financial distress negatively impacts firm value. Financial distress generates an unstable, high-risk setting that diminishes a company's appeal to investors, ultimately reducing its overall value (Chalid et al., 2022). Therefore, considering the strategic role of the manufacturing sector as one of the mainstays of the national economy, financial risk management is crucial for maintaining manufacturing sector stability and economic sustainability.

The Moderating Role of ESG Disclosure on the Relationship Between Financial Distress and Firm Value

This research also found that the interaction term FDxESGD has a coefficient of 0.052 and a significance value of 0.032, suggesting that ESG disclosure can moderate the negative impact of FD on FV. Thus, the second hypothesis is supported. The findings suggest that companies with more robust ESG practices are more effective in reducing the adverse effects of financial distress.

From the perspective of legitimacy theory by Suchman (1995), companies operating in a social environment must maintain "legitimacy" with society, stakeholders, and regulators, which can be achieved by aligning corporate activities with social norms, values, and expectations. Strong ESG disclosure can sustain social legitimacy by demonstrating a commitment to sustainability, thereby enhancing investor confidence and firm value. This result aligns with Prayogo et al. (2025), who found that ESG disclosure can moderate and mitigate the adverse impact of financial distress on firm value. Suprabha et al. (2025) confirm that implementing ESG disclosure substantially lowers default risk, thereby reinforcing ESGD's role as an effective risk management strategy. The negative interaction between ESG disclosure and financial distress indicates that robust ESG practice effectively bolsters firm value, particularly by mitigating the adverse effects of financial distress (Yadav, 2025). These findings provide crucial insights for manufacturing company managers experiencing financial distress, particularly regarding ESG's moderating role. Strengthening ESG disclosure can mitigate economic losses from financial problems. For regulators, the results underscore the urgency of mandatory ESG reporting to mitigate systemic risks in Indonesia.

Conclusions and Recommendations

This research investigates the impact of financial distress on firm value and the moderating role of ESG Disclosure in manufacturing firms listed on the IDX between 2020 and 2024. The findings show that financial distress significantly and negatively affects firm value, indicating that greater financial pressure lowers a company's valuation. This aligns with Signaling Theory, which explains that financial distress sends adverse signals to investors, reducing confidence, future profitability, and market value. ESG disclosure as a moderator has a significant negative effect, meaning it can moderate the negative impact of financial distress. Companies with strong ESG practices can lessen the harmful effects of financial pressure on market perception. These results support Legitimacy and Signalling Theory, highlighting the role of ESGD in maintaining social legitimacy, stakeholder trust, and positive external signals.

The findings of this study address empirical gaps and limitations in previous research by integrating corporate financial risk and sustainability within a comprehensive empirical framework. Unlike prior studies, this research positions ESG disclosure as a moderating variable that has not been extensively examined. Focusing on manufacturing sector companies in Indonesia during 2020-2024 enables the study to capture post-pandemic dynamics amid economic uncertainty and rising demands for sustainable practices.

In practice, these findings can be used by manufacturing company management to formulate ESG disclosure strategies to maintain firm value under financial pressure. For investors, this research serves as a consideration in assessing companies' long-term prospects. For regulators, it provides an empirical basis for improving the quality of ESG disclosure. The study's limitations lie in the data on the observation period, the use of other internal and external factors potentially affecting firm value, and prior research. Nevertheless, this research offers important insights into the role of ESG practices in preserving firm value during financial distress conditions and supports the development of corporate financial risk and sustainability management strategies.

References

Accounting, B. (2021). Teori Sinyal dan Hubungannya dengan Pengambilan Keputusan Investor. Binus University Accounting Department. https://accounting.binus.ac.id/2021/07/13/teori-sinyal-dan-hubungannya-dengan-pengambilan-keputusan-investor/

Adhyasta, D., & Sudarsi, S. (2023). Pengaruh Profitabilitas, Likuiditas, Solvabilitas, Ukuran Perusahaan, terhadap Nilai Perusahaan pada Perusahaan Manufaktur yang Terdaftar di BEI. Ekonomis: Journal of Economics and Business, 7(1), 520. https://doi.org/10.33087/ekonomis.v7i1.866

Adisti, A. Z., & Machdar, N. M. (2024). Pengaruh Financial Distress, CSR Disclosure, Dan Earnings Quality Terhadap Firm Value Yang Dimoderasi Liquidity. CEMERLANG Jurnal Manajemen Dan Ekonomi Bisnis, 4(1), 45–56.

Altman, E. I. (1968). Financial Ratios, Discriminant Analysis and the Prediction of Corporate Bankcruptcy. The Journal of Finance, 23(4), 589–609. http://links.jstor.org/sici?sici=0022-1082%28196809%2923%3A4%3C589%3AFRDAAT%3E2.0.CO%3B2-R

Antonius, F., & Ida, I. (2023). This study aims to examine the impact of ESG and Intellectual CapPengaruh Environmental, Social, Governance (ESG) dan Intellectual Capital terhadap Kinerja Perusahaan. Jurnal EKOBIS: Ekonomi, Bisnis, Dan Manajemen, 13(2), 126–138. http://ejournal.utmj.ac.id/index.php/ekobis126

Arum, S. T., Hakim, H., & Muhammad, Z. (2023). Pengaruh Financial Distress dan Leverage Terhadap Nilai Perusahaan (Studi Kasus Pada Perusahaan Subsektor Perbankan yang Terdaftar di Bursa Efek Indonesia Periode 2017-2021). Jurnal Ilmiah Wahana Pendidikan, Desember, 9(23), 721–736. https://doi.org/10.5281/zenodo.10401450

Aryani, R., & Saputra, D. (2024). Pengaruh Profitabilitas, Leverage, Dan Financial Distress Terhadap Nilai Perusahaan Pada Perusahaan Sektor Consumer Non-Cyclicals Yang Terdaftar Di Bei Periode 2020-2022. Journal of Islamic Finance and Accounting Research, 3(2), 169–186.

Business-Indonesia. (2025). Indonesia's Manufacturing Sector: Growth Amid Global and Domestic Pressures. https://business-indonesia.org/news/indonesia-s-manufacturing-sector-growth-amid-global-and-

domestic-pressures?

Chalid, L., Kalsum, U., & Pelu, M. F. A. (2022). Efek Profitabilitas, Financial Leverage dan Likuiditas terhadap Nilai Perusahaan dengan Financial Distress dan Earning Management sebagai Variabel Intervening. Journal of Manajemen & Business, 5(1), 282–295. https://doi.org/https://doi.org/10.37531/sejaman.v5i1.1623

Fatemi, A., Glaum, M., & Kaiser, S. (2018). ESG Performances and Firm Value: The Moderating Role of Disclosure. ELSEVIER, 38, 45–64. https://doi.org/https://doi.org/10.1016/j.gfj.2017.03.001

Hamzah, N. A. B., Nurwana, & Murdifin, I. (2025). Pengaruh Profitabilitas Dan Solvabilitas Terhadap Nilai Perusahaan Makanan Dan Minuman Yangterdaftar Di Bursa Efek Indonesia (BEI). Center of Economic Student Journal, 8(1), 325–339. https://doi.org/https://doi.org/10.56750/csej.v8i1.1078

Handayani, R., Mangantar, M., Untu, V. N., Manajemen, J., Sam, U., & Manado, R. (2024). Pengaruh Public Ownership, Return on Asset, Earning Per Share dan Debt to Equity Ratio Terhadap Nilai Perusahaan Pada Sektor Industrial Yang Terdaftar di IDXINDUST Periode 2019-2023. Jurnal EMBA, 12(4), 842–853. https://doi.org/https://doi.org/10.35794/emba.v12i4.58804

Hariyanto, D. B., & Ghozali, I. (2024). Pengaruh Environment, Social, Governance (Esg) Disclosure Terhadap Nilai Perusahaan (Studi Empiris Pada Perusahaan Yang Terdaftar Dalam Indeks Kompas 100 Periode 2020-2022). Diponegoro Journal of Accounting, 13(3), 1–13.

Harymawan, I., Putra, F. K. G., Fianto, B. A., & Ismail, W. A. (2021). Financially Distressed Firms : Environmental , Social , and Governance Reporting in Indonesia. 1–18. https://doi.org/https://doi.org/10.3390/su131810156

Hikmah, Haldy, M., & Wangdra, Y. (2024). 8823-Article Text-34505-1-10-20240619. Jurnal Akuntansi Barelang, 8(2), 88–95.

Hünermund, P., & Louw, B. (2024). On the Nuisance of Control Variables in Causal Regression Analysis. Organizational Research Methods, 1–17. https://doi.org/10.1177/10944281231219274

Kurniawati, R., & Idayati, F. (2023). Pengaruh Kinerja Keuangan Dan Kondisi Financial Distress Terhadap Nilai Perusahaan Food And Beverage. Jurnal Ilmu Dan Riset Akuntansi, 12(4), 1–19.

Lagasio, V., Brogi, M., Galluci, C., & Santulli, R. (2023). May Board Commites Reduce The Probability of Financial Distress? A Survival Analysis on Italian Listed Companies. International Review of Financial Analysis, 87(1). https://doi.org/https://doi.org/10.1016/j.irfa.2023.102561

Liang, D., Tsai, C. F., Lu, H. Y. (Richard), & Chang, L. S. (2020). Combining corporate governance indicators with stacking ensembles for financial distress prediction. Journal of Business Research, 120(December 2019), 137–146. https://doi.org/10.1016/j.jbusres.2020.07.052

Lisdiono, P., & Putri, U. F. A. (2025). An Analysis of the Impact of Mandatory Sustainability Reporting Disclosure on Firm Value in Public Energy Sector Companies. E-Jurnal Akuntansi, 35(8), 2281–2292. https://doi.org/10.24843/EJA.2025.v35.i08.p08

Liu, S., Bernardi, C., & Stark, A. W. (2024). The value relevance of US firms' mandated financial risk disclosures attributable to the impact of climate change. Journal of Sustainable Finance and Accounting, 1(March), 100002. https://doi.org/10.1016/j.josfa.2024.100002

Melinda, A., & Wardhani, R. (2020). The Effect Of Environmental, Social, Governance, And Controversies On Firms' Value : Avidence From Asia. In International Symposia in Economic Theory and Econometrics. 27, 147–173. https://doi.org/https://doi.org/10.1108/S1571-038620200000027011

Monica, S., & Sulfitri, V. (2023). Pengaruh Green Accounting, Corporate Social Responsibility Dan Financial Distress Terhadap Nilai Perusahaan Pada Perusahaan Manufaktur Sektor Consumer Goods Yang Terdaftar Di Bei 2019-2021. Jurnal Ekonomi Trisakti, 3(2), 3035–3048. https://doi.org/10.25105/jet.v3i2.17999

Nuladani, G. S., & Saputra, D. (2024). The Effect of Management Change, Financial Distress, and Earnings Management on Audit Report Lag with the Number of Commissioners as a Moderating Variable. International Journal of Science and Society, 6(1), 255–272. https://doi.org/10.54783/ijsoc.v6i1.1009

Nurcahyono, N., Hanum, A. N., Sunarso, U. A., & Azka, A. A. (2025). Peran Moderasi ESG pada Hubungan Modal Intelektual, Manajemen Laba dan Nilai Perusahaan. Reviu Akuntansi Dan Bisnis Indonesia, 9(2), 284–297. https://doi.org/10.18196/rabin.v9i2.26328

Nurdialy, M., & Wijaya, H. (2025). Analysis of the Quality of Sustainability and Governance Disclosure in SR Reports: A Study of 51 Indonesian Public Companies Based on POJK 51. Law and Economics, 19(2), 187–196. https://journals.ristek.or.id/index.php/LE/index

Nurjanah, R., Yahya, A., Hidayat, T., & Andriyani, M. (2025). Unveiling the Effects of Financial Distress , Tax Avoidance , and Political Connections on Firm Value. Equity: Jurnal Ekonomi, Manajemen, Akuntansi, 28(2), 157–173. https://doi.org/10.34209/equ.v28i2.11049

Oksiltayuri, F. S., & Luthan, E. (2023). Factors That Have An Impact On Firm Value From The Aspect Of Financial Condition And The Presence Of Female Directors In The Company. 4(5), 5971–5982.

Prasetyo, D. W., & Hermawan, A. (2023). Profitabilitas, Ukuran Perusahaan, Dan Struktur Modal Terhadap Nilai

Perusahaan yang terdaftar di BEI (Bursa Efek Indonesia) periode 2019-2021. Journal Ekonomi & Ekonomi Syariah, 6(1), 743–751.

Pratiwi, T. A., Sufina, L., Maharani, S. P., & Putri, A. R. (2024). Governance (ESG) dan Financial Distress terhadap Firm Value Sektor Energi yang Terdaftar di BEI. Jurnal Keuangan Dan Perbankan, 21(1), 41–56. https://doi.org/https://doi.org/10.35384/jkp.v21i1.589

Prayogo, E., Handayani, R., & Mulyana, S. R. (2025). ESG Disclosure, Intellectual Capital, Firm Value: Moderating Role of Earnings Management. Jurnal Reviu Akuntansi Dan Keuangan, 15(1), 233–247. https://doi.org/10.22219/jrak.v15i1.36076

Putri, S. A., Pakaya, S. I., & Selvi. (2025). Analisis Pengaruh Financial Distress Terhadap Nilai Perusahaan Sektor Pertambangan Di Bursa Efek Indonesia (2017-2022). Jurnal Ilmiah Manajemen Dan Bisnis, 8(2), 1–8.

Saputra, I. & Andani, M. (2023). Pengaruh Kualitas Laba, Income Smoothing, Dan Financial Distress Terhadap Nilai Perusahaan. Dinamika Ekonomi: Jurnal Ekonomi Dan Bisnis, 16(2), 403–416. https://doi.org/10.53651/jdeb.v16i2.446

Sari, I. S. S. N. (2022). "Pengaruh Perencanaan Pajak, Ukuran Perusahaan dan Financial Distress Terhadap Nilai Perusahaan" (Studi Empiris Pada Perusahaan Manufaktur Sektor Industri Dasar dan Kimia Yang Terdapat di Bursa Efek Indonesia Periode 2016-2020). Jurnal Ekonomi Dan Bisnis Dharma Andalas, 24(2), 1–20.

Sari, P. S., & Widiatmoko, J. (2023). Pengaruh Environmental , Social , and Governance (ESG) Disclosure terhadap Kinerja Keuangan dengan Gender Diversity sebagai Variabel Moderasi. Fair Value: Jurnal Ilmiah Akuntansi Dan Keuangan, 5(9), 3634–3642.

Sedyasana, D. U., & Wijaya, S. (2024). Pengaruh ESG disclosure terhadap nilai perusahaan. Jurnalku, 4(4), 483–493. https://doi.org/10.54957/jurnalku.v4i4.1304

Sinta Nuria, & Cholis Hidayati. (2023). Altman Z-Score Untuk Memprediksi Financial Distress Pada Perusahaan Kosmetik Dan Keperluan Rumah Tangga Yang Terdaftar Di Bursa Efek Indonesia Periode 2018-2021. Optimal Jurnal Ekonomi Dan Manajemen, 3(1), 191–206. https://doi.org/10.55606/optimal.v3i1.968

Spence, M. (1973). Job market signaling. Quarterly Journal of Economics, 87(3), 355–374. https://doi.org/10.2307/1882010

Suchman, M. C. (1995). Managing Legitimacy: Strategic and Institutional Approaches. The Academy of Management Review, 20(3), 571. https://doi.org/10.2307/258788

Suprabha, K. R., Sreepriya, J., & Prasad, K. (2025). The impact of ESG disclosure on mitigating financial distress: exploring the moderating role of firm life cycle. International Journal of Disclosure and Governance, 22(3), 557–590. https://doi.org/10.1057/s41310-024-00225-8

Toyibah, Z., & Ruhiyat, E. (2023). Pengaruh Risiko Bisnis, Financial Distress, Dan Kebijakan Investasi Terhadap Nilai Perusahaan Dengan Peran Research and Development Sebagai Variabel Moderasi. Account, 10(1), 2000–2013. https://doi.org/10.32722/account.v10i1.5506

Untara, U., & Lestari, T. A. (2024). Faktor Internal Dan Eksternal Terhadap Nilai Harga Saham Pada Bank Bumn Yang Terdaftar Dalam Bursa Efek Indonesia Periode 2020-2023. JEMSI (Jurnal Ekonomi, Manajemen, Dan Akuntansi), 10(6), 3289–3300. https://doi.org/10.35870/jemsi.v10i6.3367

Waluyo, D. (2024). Pendorong Utama Pertumbuhan Ekonomi yang Stabil. INDONESIA.GO.ID. https://indonesia.go.id/kategori/editorial/8770/pendorong-utama-pertumbuhan-ekonomi-yang-stabil

Wawo, A., & Nirwana. (2022). Pengaruh Financial Distress Terhadap Harga Saham. Akuntansi Peradaban, 4(1), 17–34. https://doi.org/https://doi.org/10.24252/jiap.v6i1.14467

Wijaya, A. L. (2020). The Effect of Audit Quality on Firm Value: A Case in Indonesian Manufacturing Firm. Journal of Accounting, Finance and Auditing Studies, 6(1), 1–15. https://doi.org/10.32602/jafas.2020.001

Yadav, A. (2025). Financial distress, ESG practices and firm valuation: comparing pre- and post-Paris Agreement periods. Management Decision, January. https://doi.org/10.1108/MD-05-2024-1159

Yuliana, I., & Rosidah. (2024). Life Style As A Moderation Variable On The Influence Of Financial Literacy, And Self Control On Consumptive Behavior Perspective Of UNY Students. International Journal of Education, Language, Literature, Arts, Culture, and Social Humanities, 2(4), 15–21. https://doi.org/10.59024/ijellacush.v2i4.915