
The Effect of Capital Structure, Growth Company and Profitability on Value Company Moderated Good Corporate Governance (Gcg) and Sustainability Reporting
(Study on Consumer Goods Industry Companies Listed on Idx 2020-2024)

Irwindha Sella Novelyna Handayani¹, Asep Risman²

^{1,2}Master of Management Program, Faculty of Economics and Business, Mercu University Buana, Indonesia

Email: ¹Irvinda54@gmail.com, ²asep.risman@mercubuana.ac.id

Abstract

This study investigates the effects of capital structure, firm growth, and profitability on firm value, with Good Corporate Governance (GCG) and sustainability reporting as moderating variables. A quantitative approach was applied using secondary data from financial statements and sustainability reports of consumer goods companies listed on the Indonesia Stock Exchange (IDX) during 2020–2024. The sample was selected through purposive sampling, resulting in 15 firms and 75 firm-year observations. Panel data regression analysis was conducted using EViews software. The findings reveal that capital structure and firm growth positively and significantly affect firm value, while profitability does not show a significant influence. GCG moderates the relationship between capital structure and firm growth on firm value but fails to moderate the link between profitability and firm value. Sustainability reporting also moderates the relationship between capital structure and firm growth, yet does not moderate the effect of profitability. These results suggest that firm value in Indonesia's consumer goods industry is driven more by strategic financing and growth decisions, reinforced by governance quality and sustainability disclosure, rather than short-term profitability. The study highlights the importance of integrating financial policies, governance mechanisms, and sustainability practices to enhance market perceptions of firm value.

Keywords: Capital Structure, Firm Growth, Profitability, Firm Value, Good Corporate Governance, Sustainability Reporting.

1. INTRODUCTION

The consumer goods industry is a strategic sector in the Indonesian economy due to its significant role in driving national economic growth, creating jobs, and maintaining the stability of domestic consumption. As a capital-intensive and market-oriented sector, companies are required to maintain financial performance while simultaneously increasing firm value. Firm value is an important indicator that reflects how the market assesses a company's performance, prospects, and sustainability (Naknok, 2020). A high firm value demonstrates investor confidence in management's ability to effectively manage resources and create long-term value. Conversely, a low firm value may indicate financial problems, operational inefficiencies, or weak market confidence. In the context of healthcare companies, profitability and a sound capital structure play a strategic role

in ensuring the availability of medicines, medical equipment, and quality public services. Healthcare companies that are able to maintain high firm value reflect public trust in the sustainability of the national health system. This shows that financial aspects not only serve as indicators of business performance but also as the foundation for public health resilience. Thus, a company's success in managing its finances will directly impact society's access to safe, affordable, and sustainable healthcare services.

For companies listed on the Indonesia Stock Exchange, firm value is a key indicator in assessing the effectiveness of funding strategies, business growth, and the ability to generate sustainable profits. Firm value not only reflects investor perceptions of a company's performance and prospects but also serves as the basis for decision-making by management, owners, and other stakeholders. Firm value can represent market expectations regarding the company's future business prospects. Therefore, companies that can demonstrate strong financial performance and promising growth potential are generally perceived more positively by investors.

Company growth is generally measured by increases in sales, net income, and total assets over time. Companies that can demonstrate consistent growth trends are associated with expansion capabilities, competitive advantage, and promising profitability prospects. According to growth theory, companies in the expansion stage have greater opportunities to increase market value because they are able to generate higher future cash flows and expand market share (Carstens & Wesson, 2019).

2. LITERATURE REVIEW

Signaling Theory

Signaling theory was first introduced by Spence (1973) in the context of the labor market, but the concept has expanded and been applied in the field of corporate finance.

Stakeholders Theory

Stakeholder theory aims to broaden the traditional view of the purpose of companies which has so far only focused on the interests of shareholders (Freeman, 1984).

Capital Structure Theory

Ahmed et al (2024) explained that capital structure is a combination of debt long-term, preferred stock, and common stock used in corporate financing.

Company value

According to Brigham and Houston (2013), company value can be measured through several approaches, including Price to Book Value (PBV), Price to Earning Ratio (PER), Tobin's Q, or the market value of all equity and company debt.

Measurement of Company Value

Company value is an important indicator that describes the extent to which the market assesses the performance and prospects of a company (Friske et al, 2023). This assessment is usually reflected in the share price and reflects investors' expectations of future profits that the company can generate.

Capital structure

Capital structure reflects the proportion between own funds (equity) and loan funds (debt) owned by the company in financing its business activities (Brusov & Fitalova, 2023).

Measurement of Capital Structure

In capital structure studies, leverage is often used as the main measuring tool for describing the composition of company funding, especially the proportion of debt to equity (Pane & Ramadhani, 2021; Ugur et al , 2022).

Company growth

The concept of company growth refers to the company's increasing ability to increase operational capacity, revenue, assets and market share within a certain period of time. This growth is a key indicator of company success in competing and surviving in a dynamic market (Nguyen & Nguyen, 2021).

Measurement of Company Growth

In previous research studies (Fajriah et al, 2022) company growth measured using quantitative indicators that reflect changes in the company's financial performance over time, such as revenue, profit, or assets.

Company Profitability

According to Sudiyatno et al. (2021), profitability reflects management's efficiency in managing assets and capital to obtain net profit, which ultimately can reflect a healthy and competitive financial condition of the company.

Profitability Measurement

Profitability is a key indicator used to assess a company's financial performance in generating profit. In this study, profitability is measured using Return on Equity (ROE), which is a financial ratio that shows how much net profit the company earns compared to the total equity owned by shareholders.

Good Corporate Governance (GCG)

Good Corporate Governance (GCG) is a company management system that oriented towards the principles of transparency, accountability, responsibility, independence, and fairness in order to achieve company goals while meeting the interests of all stakeholders (Jan et al , 2021).

Measurement of Good Corporate Governance (GCG)

Good Corporate Governance (GCG) is a basic principle in the system company management that aims to create a strong supervisory structure and a healthy managerial system. to assess the extent to which the company has consistently implemented GCG principles.

Sustainability Reporting

Sustainability reporting or sustainability reporting is the process of conveying information by companies to the public regarding their impact and performance in the environmental, social, and governance fields (Environmental, Social, and Governance) (Abeysekera, 2022). Opferkuch et al (2021) revealed that the main objective sustainability reporting is to provide a transparent picture of how companies manage risks and opportunities related to sustainability, while building better relationships with stakeholders).

Sustainability Reporting Measurement

Sustainability reporting refers to the disclosure of sustainability performance information a company that covers environmental, social and governance aspects. To ensure consistency, transparency and comparability between companies, one of the most widely used reporting standards globally is Global Reporting Initiative (GRI).

The Influence of Capital Structure on Company Value

Capital structure is a fundamental policy in management finance that reflects a company's decision in choosing a combination of sources of financing between debt and equity. The right capital structure composition becomes an important determinant in achieving the company's main goal, which is to maximize value company. The main foundation of this strategy is the use of interest tax shields (interest tax shield), where interest expense arising from debt serves as a tax-deductible expense, thus effectively increasing profits net available to the company. Thus, both theoretically and empirically, there is a strong basis for stating that the capital structure optimal has a positive influence on firm value. Companies that are able balancing debt and equity effectively will benefit capital cost efficiency and investor confidence signals, which ultimately impact on increasing the company's market value. Based on this foundation, then in this study the following hypothesis is formulated:

Hypothesis 1: Capital structure has a positive effect on firm value The Effect of Company Growth on Company Value.

Company growth reflects the entity's ability to expand

Operational scale through increased revenue, assets and profits on an ongoing basis from time to time. Growth provides a positive managerial signal, especially related to efficiency in capturing market opportunities, According to Oktaviani (2024), the value companies are created through reinvestment of profits into productive projects. Therefore, the higher the growth rate, the greater the expectation of future cash flow, thereby increasing the company's valuation in the eyes of investors. Based on the argument theoretically and empirical evidence, company growth is seen as an important determinant in creating company value. Therefore, the hypothesis this research is:

Hypothesis 2: Company growth has a positive effect on Company Value.

The Effect of Company Profitability on Company Value

Profitability is a fundamental indicator of financial performance, indicating the extent to which a company is able to generate profits from its assets and equity (Hardi et al, 2024). Common measures for profitability are Return on Equity (ROE) and Return on Assets (ROA). ROE, in particular, reflects the rate of return for shareholders, and is an important benchmark in investment valuation. Based on theory and empirical evidence, profitability can be seen as one one of the key variables in the formation of company value. Companies that are able maintaining or increasing its profitability tends to be more attractive in the eyes investors, gain shareholder loyalty, and have access to financing that more efficient. Therefore, the hypothesis proposed is:

Hypothesis 3: Profitability has a positive effect on firm value.

The Effect of Capital Structure on Company Value Moderated by Good Corporate Governance

Capital structure is a strategic decision that greatly affects value company. The optimal capital structure, namely the balance between debt and equity, can provide benefits through tax savings (tax shield) and increased returns for shareholders. However,

excessive use of debt can also increase financial risk and the possibility of bankruptcy, thus lowering the value of the company. Therefore, the influence of capital structure on company value is dualistic: it can create value if managed well, but can destroy value if not effectively supervised. Based on the description above, it can be concluded that GCG moderates the relationship between capital structure and company value. A capital structure accompanied by good GCG practices will produce more rational, measurable, and accountable financial decisions to shareholders. Therefore, the hypothesis that can be proposed is:

Hypothesis 4: Good Corporate Governance can moderate the influence of Capital Structure on Company Value.

The Influence of Company Growth on Company Value Moderated by Good Corporate Governance

Company growth reflects the company's ability to expand its business operations through increased revenue, assets, and profits. According to agency theory, conflicts of interest between management and owners can increase as the scale and complexity of the company increases. Growth without good governance oversight risks causing efficiency operational declines, as well as increasing the potential for errors in making strategic decisions. Based on the explanation above, it can be assumed that GCG has a role as a moderating variable in the relationship between growth company and company value. When company growth is high and supported by good GCG practices, the potential for increasing company value will be greater greater. Therefore, the hypothesis that can be proposed is:

Hypothesis 5: Good Corporate Governance can moderate the influence of company growth on company value.

The Influence of Company Profitability on Company Value Moderated by Good Corporate Governance

Profitability is a main factor that reflects the ability of companies in generating profits from their operational activities. Level high profitability sends a positive signal to the market regarding efficiency resource management and the company's growth potential in the future. The application of good GCG can increase the trust of shareholders and stakeholders in the quality of company management. With the existence of good governance practices, the profits obtained by the company are perceived to be more credible and sustainable. This can strengthen the influence of profitability on increasing company value, because the market not only assesses profit as a number finance, but also pay attention to how the profit is generated and managed in the company's governance system. Similar results were also found by Yasser et al. (2017), which states that companies with strong governance structures have a higher correlation between profitability and market value. Thus,

the existence of GCG as a moderating variable is important to study further in relation to profitability. Based on theoretical arguments and findings empirical, the hypothesis proposed in this study is: License: Creative Commons Attribution 4.0 International (CC BY 4.0)

H6: Good Corporate Governance can moderate the influence of Profitability on company value.

The Effect of Capital Structure on Firm Value Moderated by Sustainability Reporting

Capital structure is a crucial aspect of financial management that reflects the company's financing strategy, especially in determining the proportion of debt to equity.

Decisions in determining capital structure are closely related to how companies balance risk and return results, which directly affect market perceptions of company value. In practice, the use of controlled leverage can provide benefits financial benefits such as tax savings, but also potentially increase risk financial if not followed by wise governance. Thus, Sustainability reporting is believed to have an important role as a moderating variable in the relationship between capital structure and firm value. Sustainability reports strong and credible can increase market acceptance of strategies company financing, as well as reducing the negative effects of using debt that is high. Therefore, the hypothesis that can be formulated in this context is:

Hypothesis 7: Sustainability Reporting can moderate the influence of the company's capital structure on the value of the company.

The Effect of Company Growth on Firm Value Moderated by Sustainability Reporting

Company growth reflects management's ability to expand operational performance through asset expansion, increased revenue, and sustainable profit acquisition. Sustainability reporting has the potential to strengthen the relationship between company growth and company value, because the market assesses that growth managed with sustainability principles is more worthy of positively appreciated. Based on this argument, sustainability reporting is hypothesized as a variable that moderates the influence of company growth on company value. In the context of developing companies, sustainability reporting can strengthen positive market perceptions of quality that growth and minimize concerns about potential risks arise. Thus, the hypothesis proposed is:

Hypothesis 8: Sustainability Reporting can moderate the influence of growth company on company value.

The Effect of Profitability on Firm Value Moderated by Sustainability Reporting

Profitability is a key measure that indicates success companies in generating profits from their operational activities. Performance strong profitability is often a positive signal for investors, because demonstrates the company's ability to create economic value Sustainability reporting itself is a reporting practice that presents information regarding the company's performance in environmental, social and governance aspects company (Environmental, Social, and Governance /ESG). This reporting serves as a transparency tool that allows stakeholders to assesses the extent to which companies integrate sustainability principles into their business strategies. Various empirical studies have shown that the existence of sustainability reporting can strengthen the positive impact of profitability on value company. Thus, the existence of sustainability reporting not only

increases the credibility of company earnings, but also strengthens the positive perception of the market towards the overall value of the company. Based on the theoretical foundation and empirical evidence, the hypothesis proposed in this study is:

Hypothesis 9: Sustainability Reporting can moderate the influence of Profitability on company value

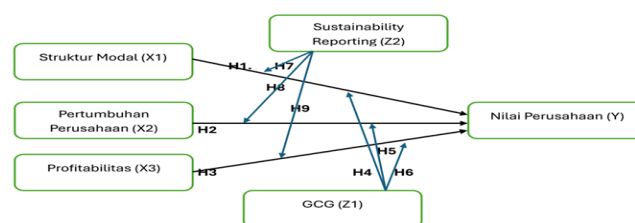


Figure 1. Framework of Thinking
Framework of Thinking

3. RESEARCH METHOD

Research Design

This study employs a quantitative associative research design. According to Sugiyono (2016: 2), associative research is research that aims to determine the relationship and influence between two or more variables. Quantitative research refers to research that obtains data in the form of numbers or qualitative data that has been quantified (Sugiyono, 2016).

In the context of health policy, this study also refers to the Health Belief Model (HBM), which emphasizes the importance of individual and organizational perceptions of benefits and risks in compliance with sustainability reporting. In addition, this study is linked to the concept of Social Determinants of Health (SDH), which highlights that social, economic, and environmental factors influence public health. Thus, a company's financial aspects are not only indicators of business performance but also relate to its contribution to public health resilience.

Population and Research Sample

From 2020 to 2024, the research population refers to all companies in the consumer goods industry sub-sector listed on the Indonesia Stock Exchange (IDX) in 2024, totaling 24 companies. The sample in this study was determined using a purposive sampling method, which is a sampling technique based on specific criteria aligned with the research objectives.

Data Collection Method

This study uses secondary data obtained from the financial statements of consumer goods industry sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the years 2020–2024, accessed through www.idx.co.id. In addition, this study also considers Sustainability Reporting (Z2), particularly those addressing environmental impacts from medical waste and the company's contribution to the health of surrounding communities.

Data Analysis Method

Data processing was carried out using regression analysis on secondary data in the form of pooled data (panel data). In this study, data analysis calculations were performed using EViews software.

Descriptive Statistical Analysis

According to Sugiyono (2016), descriptive statistics aim to analyze and present data in a form that is easily understood, without testing hypotheses or making generalizations to the population.

Panel Data Regression Analysis

In this study, the data used is panel data, which is a combination of time series data (based on year) and cross-sectional data (based on company). Therefore, the analysis method employed is panel data regression.

4. Research Results and Discussion

The object of this research includes companies engaged in the consumer goods industry sector and listed on the Indonesia Stock Exchange (IDX) during the reporting period of 2020–2024.

Data Analysis Results

Descriptive Statistical Analytis

Descriptive statistics are used as an initial stage of analysis to describe research data profile before inferential testing is carried out (Wijayanti et al., 2022). This analysis presents information regarding the number of observations (N), minimum and maximum values, as well as the average (mean) of each variable studied.

Table 1. Descriptive Statistical Test Results

Variable	n	Minimum	Maximum	Mean
Company Value (PBV)	75	0.279243	35.48517	3.063951
Capital Structure (DEiR)	75	0.058386	23.61757	1.662905
Growth(GROWTH)	75	-0.843569	5.713284	0.100151
Profitability(PROF)	75	-59.06658	1511.482	335.1349
<i>Good Corporate Governance</i> (CGPI)	75	16.33333	100.0000	82.15556
<i>Sustainability Reporting</i> (GRI)	75	0.722000	6.674000	4.141987

Source: Data Processed by research, 2026

Panel Data Regression Model Estimation Results

The selection of a panel regression model is a crucial step in determining the estimation model that best suits the characteristics of the research data. On panel data consisting of 15 companies over a five-year observation period (2020–2024), three main tests were carried out, namely the Chow Test, the Hausman Test, and the Lagrange Multiplier (LM) Test.

Chow Test Results – Redundant Fixed Effect Test

The Chow test is used to determine whether the most appropriate model is the Common Effect Model or the Fixed Effect Model

Table 2. Chow Test Results – Redundant Fixed Effect Test

Effects Test	Statistic	df	Prob.
<i>Cross-section F</i>	1.979852	(14,55)	0.0370
<i>Cross-section Chi-square</i>	30.607734	14	0.0063

Source: Data Processed by research, 2026

The Chow Test results show that the cross-section chi-square probability value is 0.0370, which is below the 5 percent significance level.

Hausman Test Results

The Hausman test is used to determine the most appropriate estimation model, namely between the Fixed Effect Model and the Random Effect Model (Sihombing, 2022).

Table 3. Hausman Test Results

Test Summary	Chi-Sq Statistic	Chi-Sq df	Prob.
Cross-section random	4.353194	5	0.4998

Source : Data Processed by research, 2026

The Hausman Test results show that the probability value obtained is 0.4998, which is above the 5 percent significance level.

Lagrange Multiplier Test

The Lagrange Multiplier test is used to determine the most appropriate model, namely between the Common Effect Model and the Random Effect Model (Sihombing, 2022).

Table 4. Lagrange Multiplier Test Results

<i>Test</i>	<i>Cross-section</i>	<i>Prob.</i>
<i>Breüisch–Pagan</i>	5.289104	(0.0691)

Source : Data Processed by research, 2026

The Lagrange Multiplier Test results show that the Breusch–Pagan probability value on the cross-section component is 0.0691, which is above the 5 percent significance level.

Model Feasibility Test (Goodness Of Fit)

After going through the model estimation stage through the Common Effect Model (REM), the next crucial step is to evaluate the quality and feasibility of the regression model.

Table 5. Summary of Goodness of Fit Model Equations 1-9

Model Equation	Main Variable in Model	Adjusted R2	Prob (F-statistic)	Description of Feasibility Model
Model 1	DER → PBV	0.418619	0.000000	Model is very strong
Model 2	GROWTH → PBV	0.418619	0.000000	Model is very strong
Model 3	PROF → PBV	0.418619	0.000000	Model is very strong
Model 4	DER, CGPI, DER×CGPI → PBV	0.465368	0.000000	Model is very strong
Model 5	GROWTH, CGPI, GROWTH×CGPI → PBV	0.472880	0.000000	Model is very strong
Model 6	PROF, CGPI, PROF×CGPI → PBV	0.199213	0.000000	Model is very strong
Model 7	DER, GRI, DER×GRI → PBV	0.642947	0.000000	Model is very strong
Model 8	GROWTH, GRI, GROWTH×GRI → PBV	0.357884	0.000000	Model is very strong
Model 9	PROF, GRI, PROF×GRI → PBV	0.228820	0.000000	Model kuat

Source : Data Processed by research, 2026

Classical Assumption Test Results

Before conducting panel data regression analysis, this research first carries out a series of classical assumption tests to ensure that the model used meets the criteria as a good estimator (BLUE Best Linear Unbiased Estimator) (Sihombing, 2022).

Normality test

The normality test is used to assess whether the residuals in the regression model follow a normal distribution pattern. The normality test in this study was carried out using the Jarque–Bera (JB Test) method.

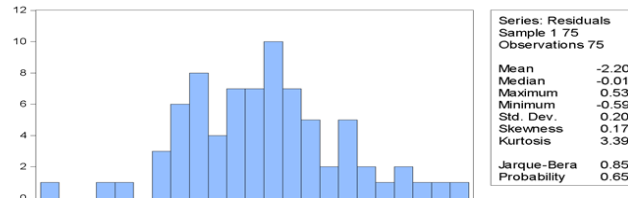


Figure 2. Normality Test Results

The results of the data normality test are presented in Figure 2

Based on the test results, the Jarque Bera probability value was obtained at 0.650730, which is greater than the significance level of 0.05. Thus, the residual is stated to be normally distributed.

Heteroscedasticity Test

Heteroscedasticity test is conducted to assess whether the residual variance in the regression model is constant (homoscedastic) or shows inconsistency (heteroscedasticity). The results of the heteroscedasticity test are presented in Figure 3.

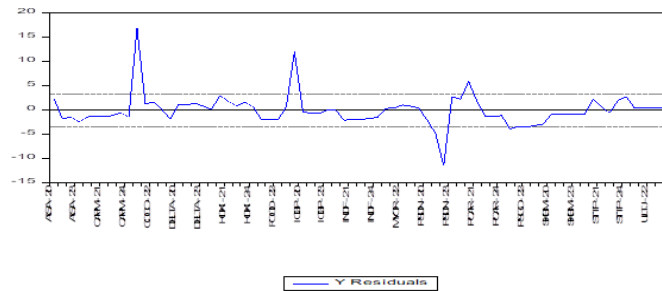


Figure 3. Heteroscedasticity Test Results

Source: Data processed by Researchers, 2026

Based on the Residual Actual Fitted Plot shown, it appears that the residual values are spread around the zero line with a relatively narrow range of values.

Multicollinearity Test

Multicollinearity test is conducted to determine whether there is a high correlation between independent variables in the regression model. This test is done by looking at the Variance Inflation Factor (VIF) and Tolerance values.

Table 6. Multicollinearity Test Results

<i>Variable</i>	<i>Uncentered VIF</i>	<i>Centered VIF</i>
Company Value (PBV)	5.146710	4.711304
Capital Structure (DEiR)	7.123568	5.997908
Growth(GROWTH)	2.253238	2.045824
Profitabilitas (PROF)	5.425204	4.491250

<i>Good Corporate Governance</i> (CGPI)	1.380940	1.268064
---	----------	----------

Source: Data processed by Researchers, 2026

Based on the test results, the DER variable has a Centered VIF value of 4.711304, the GROWTH variable is 5.997908, the PROF variable is 2.045824, and the CGPI variable is 4.491250.

Auto Correlation Test

The Breusch Godfrey test is used to evaluate the presence of autocorrelation by utilizing residuals in the regression model. Interpretation of test results is done by paying attention to the value

Table 7. Autocorrelation Test Results

Breusch-Godfrey Serial Correlation LM Test:

F-statistic	0.999411	Prob. F(2,68)	0.3734
Obs*R-squared	2.141630	Prob. Chi-Square(2)	0.3427

Source: Data processed by Researchers, 2026

The test results show that the F-statistic value is 0.999411 with a probability of 0.3734, and an Obs*R-squared value of 2.141630 with a Chi-square probability of 0.3427. Both probability values are above the significance level of 5 percent ($\alpha = 0.05$), so the null hypothesis (H_0) is not rejected. Thus, it can be concluded that the regression model does not experience autocorrelation.

Hypothesis Testing

Hypothesis testing is carried out using a panel data regression model with an approach to the best model that has been determined in the previous stage. This analysis includes the value of the regression coefficient, significance level, and interpretation of empirical findings for each hypothesis. Thus, this subsection is the basis for drawing conclusions regarding the relationship between research variables while answering questions research that has been proposed.

Discussion

The Effect of Capital Structure on Firm Value

Empirical test results show that capital structure (DER) and company growth (GROWTH) has an influence on company value (PBV) in consumer goods industry companies listed on the Indonesia Stock Exchange. The relationship between capital structure and firm value shows that the use of debt proportionally is able to increase firm value through optimization funding structure. Meanwhile, company growth as reflected in an increase in assets provides a positive signal regarding the company's capacity in expanding operations, increasing market share, and creating opportunities for increasing profits in the future. The combination of these two factors strengthens market perceptions of company's long-term performance and prospects.

The Effect of Growth on Firm Value

The results of the research show that company growth has an influence on firm value, which indicates that the ability of companies to increase assets and business scale

is one of the determinants main in the formation of market perceptions. Company growth reflects the company's internal dynamics in responding to market opportunities, expanding capacity production, as well as increasing operational efficiency.

The Effect of Profitability on Firm Value

A high level of profitability is theoretically expected to increase value because it shows operational efficiency and potential returns for investors. In much of the financial literature, profitability is seen as a key indicator of financial performance that is the basis for investors to assess company prospects. This research shows that profitability has no effect significant to the firm value in consumer goods industry companies. These findings indicate that the profit generated by the company is not necessarily directly translated by the market as an increase in firm value. In other words, investors do not solely make profitability the main basis for assessing the company, but consider other factors that are considered to better reflect long-term prospects.

The Effect of Capital Structure on Firm Value Moderated by GCG.

Conceptually, capital structure reflects funding policies companies that are directly related to the level of risk and return, while GCG represents the quality of governance that governs how decisions. these finances are taken and supervised. Thus, the existence of GCG becomes an important factor that can influence how the market assesses usage decisions debt by the company.

The Effect of Growth on Firm Value Moderated by GCG

Company growth reflects management's ability to expand assets and business activities, while GCG reflects the quality of the system management and supervision that ensures that the growth process is carried out accountably and oriented towards the interests of shareholders. Good Corporate Governance acts as a moderating variable that strengthens the influence company growth on firm value. These findings are consistent with previous research and supported by signaling theory and agency theory, which affirms that good governance is able to ensure that growth companies really create added value for shareholders.

The Effect of Profitability on Firm Value Moderated by GCG

Good Corporate Governance (GCG) which is proxied by CGPI in moderating the relationship between profitability (PROF) and firm value (PBV). In conceptually, profitability reflects the company's ability to generate profits, while GCG functions as a control mechanism to ensure that the profits are managed transparently, accountably and oriented towards the interests shareholders.

The Effect of Capital Structure on Firm Value Moderated by Sustainable Reporting

The Role of Sustainability Reporting (GRI) in moderating the relationship between capital structure (DER) and firm value (PBV). Capital structure reflects the company's funding decisions relating to the proportion of debt and equity use, while sustainability reporting reflects the company's commitment to economic, social and environmental aspects. The combination of the two is important because funding decisions are not only assessed from financial efficiency, but also from long-term sustainability implications.

The Effect of Growth on Firm Value Moderated by Sustainable Reporting

Sustainability Reporting (GRI) in moderating the relationship between company growth (GROWTH) and firm value (PBV). Company growth reflects asset expansion and increased operational capacity, which theoretically has the potential to increase firm

value. However, growth also brings consequences in the form of increased operational risk and greater long-term funding needs.

The Effect of Profitability on Firm Value Moderated by Sustainable Reporting

Profitability reflects the company's ability to generate profits from its resources, while sustainability reporting represents the company's transparency in managing the economic, social, and environmental impacts of its business activities. Conceptually, sustainability disclosure is expected to increase the credibility of the profits generated by the company

The research findings indicate that capital structure and company growth influence firm value, while profitability is not always the main determinant. From a health ethics perspective, this can be interpreted as showing that investors in the healthcare sector place greater value on good governance (Good Corporate Governance/GCG) and commitment to social and health issues (Sustainability Reporting) rather than merely pursuing short-term profits.

In other words, the market highly values companies that demonstrate transparency, accountability, and concern for social and environmental impacts, particularly in the context of public health. This aligns with the principles of health ethics, where the sustainability of the health system and the protection of patients as the primary stakeholders are considered more important than simply achieving financial gains.

Policy Recommendations

Based on these findings, several recommendations can be made for policymakers:

1. Strengthen Good Corporate Governance (GCG) regulations in hospitals and pharmaceutical companies to ensure that financial decision-making is always oriented toward patient interests.
2. Mandate Sustainability Reporting that includes public health aspects, such as medical waste management, access to essential medicines, and contributions to community health.
3. Promote transparency and accountability in financial and sustainability reporting, enabling investors and the public to assess companies' commitment to public health.
4. Recognize patients as the primary stakeholders in governance policies, ensuring that every business decision considers its impact on patient safety, access, and quality of healthcare services.

5. CONCLUSION

This study concludes that the value of companies in the goods industry consumption in Indonesia is not only determined by financial performance, but also by the quality of governance and sustainability disclosure, especially in the context of policy funding and growth strategies. Empirically, capital structure and company growth have been shown to have an impact positive effect on firm value, while profitability has no significant effect.

These findings indicate that the market is more responsive to strategic decisions medium- to long-term compared to short-term profits alone. The role of variables moderation shows selective results. Good Corporate Governance (CGPI) able to strengthen the influence of capital structure and company growth on firm value, but does not play a role in the relationship between profitability and value company. This confirms that governance is more effective as a reinforcement strategic decisions than as a validation of profit performance. Overall, the results This research confirms that company value is formed through a combination of financial decisions, quality of governance, and

commitment to sustainability, while profitability is still treated as a stand-alone indicator by investors in the Indonesian consumer goods industry.

Suggestion

Research suggestions emphasize the need to include mediating variables such as risk company, cost of capital, and reputation to enrich understanding of firm value creation, using alternative proxies in measurement profitability, GCG, and sustainability reporting, and expanding the research object to other sectors and countries so that differences in market characteristics and ESG implementation can be captured. For company management, it is recommended that capital structure policies and growth strategies are integrated with governance and sustainability practices making GCG and sustainability reporting part of the long-term business strategy long term, as well as improving the quality of sustainability disclosure so that the market obtain a clear signal regarding the direction and quality of the company's growth.

6. REFERENCES

- Abeysekera, I. (2022). A Framework For Sustainability Reporting. *Sustainability Accounting, Management And Policy Journal*, 13(6), 1386–1409. <https://doi.org/10.1108/SAMPJ-08-2021-0316>
- Ahmed, F., Rahman, M., Rehman, H., Imran, M., Hossain, M., & Dunay, A. (2024). Corporate Capital Structure Effects On Corporate Performance Pursuing A Strategy Of Innovation In Manufacturing Companies. *Heliyon*, 10, E24677. <https://doi.org/10.1016/j.heliyon.2024.E24677>
- Butar Butar, P. J., & Badera, I. D. N. (2024). Determinants Of Company Value With Company Growth As A Moderating Variable. *International Journal Of Economics, Management And Accounting*, 1(4), 155–164. <https://doi.org/10.61132/ijema.V1i4.254>
- Devitra, J. (2025). Influence Return On Equity (ROE) And Net Profit Margin (NPM) Against Return Shares Of Food And Beverage Sub-Sector Companies On The Indonesian Stock Exchange Period 2022–2023. *Journal Research Of Social Science Economics And Management*, 4(10), 1612–1624. <https://doi.org/10.59141/Jrssem.V4i10.852>
- Dewi, N. N. S., & Rustiarini, N. W. (2024). Sustainability Reporting And Firm Value: Systematic Literature Review. *Analisis: Jurnal Ilmiah Ekonomi Dan Bisnis*, 14(2), 1008–1014.
- Firmansyah, D., Purwidiyanti, W., Tubastuvi, N., & Fakhrudin, I. (2025). Governance Matters: Boosting Firm Value Through Profitability. *JBMP (Jurnal Bisnis, Manajemen Dan Perbankan)*. <https://doi.org/10.21070/Jbmp.V11i1.2075>.
- Heling, P., & Lastanti, H. (2024). The Influence Of Financial Distress, Earnings Management, And Financial Performance On Firm Value With Good Corporate Governance As A Moderating Variable. *Eduvest - Journal Of Universal Studies*. <https://doi.org/10.59188/Eduvest.V4i10.1494>.
- Juliana, C., & Valentino, V. (2025). How Sustainability Reporting Strengthens The Profitability – Firm Value Link In Coal Mining Companies. *Jurnal Akuntansi*. <https://doi.org/10.24912/Ja.V29i1.2590>.

- Khan, I., Fujimoto, Y., Uddin, M. J., & Afridi, M. A. (2023). Evaluating Sustainability Reporting On GRI Standards In Developing Countries: A Case Of Pakistan. *International Journal Of Law And Management*, 65(3), 189–208. <https://doi.org/10.1108/IJLMA-01-2022-0016>
- Kyere, M., & Ausloos, M. (2021). Corporate Governance And Firms Financial Performance In The United Kingdom. *International Journal Of Finance & Economics*, 26(2), 1871–1885. <https://doi.org/10.1002/Ijfe.1883>
- Nuraeni, A., & Saga, B. (2024). The Influence Of Financial Performance, Capital Structure On Company Value With Good Corporate Governance As A Moderating Variable. *JETISH: Journal Of Education Technology Information Social Sciences And Health*. <https://doi.org/10.57235/Jetish.V3i2.3368>.
- Pratt, W. R., Barboza, G. A., & Brigida, M. (2023). Leverage And Firm Value. *Economic Notes*, 52(2), E12218. <https://doi.org/10.1111/Eno.12218>