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The Impact of Good Corporate Governance (GCG) and Corporate Environmental Responsibility (CER) on Company Value Using Profitability as a Mediation Variable

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Abstract: This study aims to analyze the effect of corporate environmental responsibility (CER) and good corporate governance (GCG) on firm value with profitability as a mediating variable. The research objects are companies listed on the Indonesia Stock Exchange (IDX) and included in the Corporate Governance Perception Index (CGPI) Index of SWA Magazine 2015 - 2019. This study use 68 samples determined by purposive sampling technique, with criteria that have been determined set. The analytical tool used is SPSS 20. The results showed that Corporate Environmental Responsibility (CER), Good Corporate Governance (GCG) had a significant effect on profitability. Corporate Environmental Responsibility (CER), GCG has a significant effect on firm value, profitability has a significant effect on firm value, and profitability can mediate the relationship between CER and GCG on firm value.

Key words: Corporate Environmental Responsibility (CER), Good Corporate Governance (GCG), Firm Value, Profitability.

Investors' perception of the level of success of a company is on the value of the company. This value reflects not only its intrinsic value at this time, but also reflects the prospects and expectations of the company's ability to increase its value in the future. In the process of maximizing the company's ability to increase the value of the company, there will be many factors that support or even conflict of interest. According to G Martini (2014, in Laili, CN, Djazuli, A., & Indrawati, NK 2019), company value can be achieved in several ways. First, improve financial performance, profitability. Second, implement and disclose corporate social and environmental responsibilities in accordance with applicable guidelines. Third, implementing good corporate governance in accordance with applicable guidelines.

Economic development in Indonesia has experienced prosperity and improved people's living conditions. As we know, many government programs are being realized through job creation, infrastructure investment, and increasing the availability of public services. However, the increased investment for economic expansion has led to an increase in the issue of environmental exploitation in Indonesia (GGGI Bappenas, 2015). One prominent case is the continued conversion of forests to oil palm plantations.

The current direction of Indonesia's growth poses very real social and environmental challenges. This is the background of the researcher's assumption that the issues of environmental responsibility disclosure (CER activities) in developing countries such as Indonesia are higher than in other countries. This study takes a sample of companies in Indonesia because this country has the highest pollution level in Southeast Asia in 2018 (https://www.greenpeace.org).

Environmental issues are one of the challenges that must be answered by companies to survive in the business world. Environmental problems are very crucial issues so that they become a competitive advantage for the company. This forces companies to continue to balance between consumer desires and what is offered by the company, as well as forcing companies to be able to compete in both the domestic and international markets so that the company's standardization must be in sync with international standards. For example, regarding the presentation of an annual report that is accompanied by disclosure of corporate governance activities according to the principles of the Organization for Economic Cooperation and Development (OECD) and a sustainability report that meets the standards of the Global Reporting Initiate Guidelines (GRI) (Laili, CN, Djazuli, A., & Indrawati, NK , 2019). Therefore, good corporate governance as well as the implementation of corporate social and environmental responsibility activities are important to overcome these challenges.

In addition to the rampant cases of environmental exploitation, in Indonesia there are also many cases of corruption and abuse of authority committed by internal companies in Indonesia. One of the causes is the implementation of Good Corporate Governance that has not been maximized. During the last five years, corruption cases have continued to plague state-owned companies.

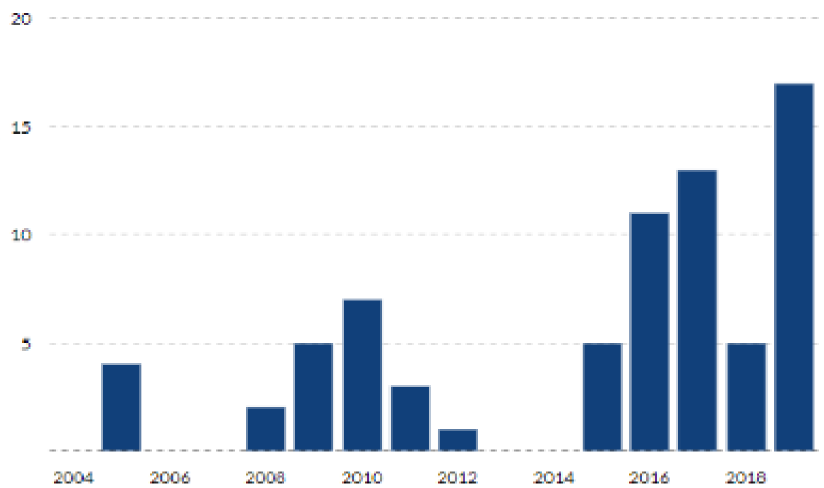


Figure 1. Data on Corruption Crimes of BUMN/BUMD in 2004-2019

Based on the graph above, it can be seen that although corruption cases had abated in a few years, they still occurred again in the following years and almost increased sharply from the previous year. As we know from the number of corruption cases of BUMN/BUMD in 2018, which amounted to 5 cases, it more than doubled to 17 cases in 2019. During the five-year period, there were many major corruption cases, such as the case that ensnared three directors. Main PLN, Pertamina 's investment problem that emerged in 2018 actually led to its former director, Karen Agustiawan being named a suspect because it was considered detrimental Pertamina amounting to Rp 568 billion. The bankruptcy case of PT Asuransi Jiwasraya which in general was caused by a violation of the principle of "Good Corporate Governance" in the form of the principle of prudence in investing.

Based on the issues above, business actors will tend to assume that the disclosure of CER and GCG is only limited to compliance with regulations that do not have a direct impact on financial performance and stock prices. So this is also a question, why the disclosure of CER and GCG is not optimal in terms of implementation among Indonesian companies. It is a contradiction where on the one hand the disclosure of CER and the implementation of GCG is believed to be very important in achieving the company's sustainable goals, but on the other hand, many Indonesian companies are reluctant to implement it seriously.

Jo & Harjoto (2011) said that good corporate governance (GCG activities) and corporate value are one of the implication factors considered by companies when deciding to disclose environmental responsibility (CER activities). A company absolutely needs a good corporate governance rule (Mahrani, M. & Soewarno, N., 2018) to help ensure that there is a commonality of mechanisms and build trust with stakeholders (stakeholder theory). Good corporate governance will also play an important role in increasing profitability (Narwal&Jindal, 2015). Based on stakeholder theory, companies are not only economically responsible (to shareholders), but also non-economically because companies have a social responsibility contract and are responsible for the surrounding environment. Disclosure of environmental responsibility (CER) information has a positive effect on consumer perceptions, which in turn can improve company performance because customer satisfaction is the main driver of profitability (Lee, S. & Jung, H. (2016). A company will disclose environmental responsibility if it is supported by a good governance system so that it is hoped that it will increase profitability which is also an indicator of increasing company performance as proxied by company value.

Several studies have been found with different research results. There have not been many studies examining the effect of Environmental Responsibility on firm value. There is another research alternative that uses Environmental Disclosure as a proxy for Environmental Responsibility (CER) disclosure. Research that examines the effect of Environmental Disclosure on Firm Value has been carried out by several researchers, including research by Utomo, MN & Kaujan (2019) and Muda, AF (2018) which states that environmental disclosure has no effect on firm value. However, this research is not in line with Chang, K. (2015) research which states that companies that disclose higher environmental performance can carry out more social and environmental responsibilities, as well as strengthen relationships with stakeholders

Research that examines the effect of GCG on firm value has been carried out by several researchers, including research by Oktaryani et al (2018) and Julianti, DK (2015) which show that GCG as proxied by managerial ownership, institutional ownership, audit committee and profitability has a positive effect on firm value, commissioners independent direction with a negative effect on firm value. The results of this study also indicate that profitability cannot mediate the effect of good corporate governance mechanisms on firm value. However, this research does not synergize with Ulfa, Binti Ulin's research in 2017 which shows that the direct influence of GCG has no effect on firm value and there is an indirect effect on GCG on firm value through ROA.

From the gap of several previous research results, this is a gap that will be examined in this study. Many studies are being conducted in the context of corporate governance but no studies have been found to analyze the impact of corporate governance, environmental responsibility on firm value mediated by profitability in the context of manufacturing companies in Indonesia.

Firm value

Perception of the company, which is associated with the stock price is the value of the company (Soebiantoro, U., 2007). One that indicates the high value of the company is the high number of share prices. Currently, in addition to looking at the performance of the company's management, the market has begun to see the company's future prospects (Hardiyanti, N., 2012). The high value of the company makes things this is so important for companies to consider because shareholder wealth follows high firm value (Brigham, E. F.& LC Gapenski, 1996). The prosperity of shareholders and internal companies is described by the market price of shares which is a reflection of asset management, investment decisions, and funding.

Corporate Environmental Responsibility (CER)

Definition of Corporate Environmental Responsibility (CER)

Corporate Environmental Responsibility (Environmental Responsibility) has various definitions. According to Ainy, R., N., & Barokah, Z. 2019, Environmental responsibility is a form of disclosure of corporate responsibility to the environment in the form of a social contract with the surrounding environment in which it operates. This is a positive sign for the company to be given to the community as a form of concern which can then affect the company's performance. CER plays a role in enhancing operating performance (Jo, H., Kim, H., & Park, K., 2015). Disclosure theory also explains that companies with good performance have incentives to carry out disclosures so that companies can be different or maybe better than other companies that do not disclose (Verrecchia, RE.,1983; Dye, RA 1985).

Legitimacy Theory

Legitimacy theory states that organizations must not only pay attention to the interests of investors but also must be in the public interest in general (Deegan & Rankin, 1997 in Ainy, R., N., & Barokah, Z. 2019). The basis of legitimacy theory is the existence of a social contract between the company and the community where the company is located and uses its resources.

Stakeholder Theory

This theory states that the company is not an entity that operates only for its own sake, but must provide benefits to stakeholders outside the company. A company is not only economically responsible (to shareholders), but also non-economically to other interested parties. The survival of the company depends on the support provided by all stakeholders; depending on how the company manages its relationships with customers, employees, suppliers, communities, communities, investors, etc. (Freeman & Phillips, 2002 in Ainy, R., N., & Barokah, Z. (2019).

Good Corporate Governance (GCG)

Understanding Good Corporate Governance

The Cadbury Committee (in Siswantaya, 2007) defines GCG as a set of rules governing the relationship between shareholders, company managers, creditors, government, employees and other internal and external stakeholders relating to their rights and obligations. Corporate governance arises from the interests of the company to ensure the Principal/Investor that the funds invested are used appropriately and efficiently. Uwuigbe et al. (2014) argues that the existence of GCG can prevent or reduce earnings management because the supervision becomes an incentive for management as an agent to act as best as possible in the interests of the company principals, namely stakeholders, and suppress deviant behavior so that they can take into account their duties properly. Application Good Corporate Governance can be aimed at reducing problems that are often The problem arises, namely the agency problem between the owner of capital and the manager of the company. The creation of mutual trust between the two parties and awareness of the principles of Good Corporate Governance are expected to improve the company 's performance. Companies that implement Good Corporate Governance can be trusted by investors because they usually have good performance so that investors are willing to invest by expecting a return from these investment activities, besides that the company can be more trusted by creditors.

Corporate Governance Perception Index (CGPI)

Corporate Governance Perception Index (CGPI) is a research and rating program for the implementation of GCG in companies in Indonesia. This program is participated by state-owned companies, banking companies, public companies (issuers), and other private companies. The CGPI program has been held consistently every year and started in 2001. CGPI is organized by IICG (The Indonesian Institute for Corporate Governance) as an independent institution in collaboration with SWA Magazine as a publication media partner. This CGPI program is indeed held with the aim of encouraging Indonesian companies to implement GCG values in their business.

Agency Theory

Agency theory explains the relationship of two parties, the principal as the owner of the company and the agent as the employee. Principals as shareholders delegate decision-making authority on their behalf through agents (Jensen & Meckling, 1976 in Ainy, R., N., & Barokah, Z. (2019). The problem that arises from this principal-agent relationship is a conflict of interest, managers as company managers tend to think and do things that will generate high profits in a fairly short period of time both with small and large risks but this is different from the wishes of the company owners. Company owners tend to think more about activities that can provide long-term benefits. Therefore, agency theory is used to overcome problems that arise due to the unequal desires and opinions of principals and agents.

Profitability

Profitability is a factor often used by management in conducting and disclosing social and environmental responsibility programs to attract potential investors and company shareholders (Devina et al., 2010:58).

RESEARCH HYPOTHESIS

H1. CER disclosure has a significant effect on profitability

H2: GCG has a significant effect on profitability

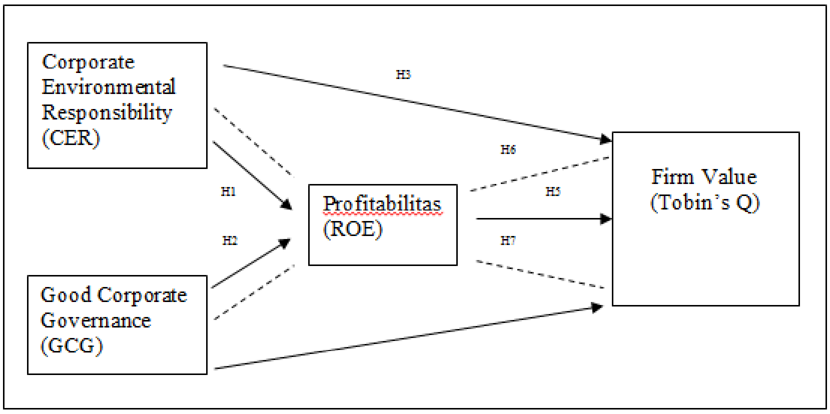
H3. CER disclosure has a significant effect on firm value.

H4. GCG has a significant effect on Company Value

H5. Profitability has a significant effect on firm value

H6. Profitability mediates the effect of CER Disclosure on Firm Value.

H7. Profitability mediates the effect of GCG on Firm Value



RESEARCH METHODS

The population in this study are all companies listed on the Indonesia Stock Exchange and included in the Corporate Governance Perception Index (CGPI) index version of SWA magazine from 2015 to 2019. The type of data used is secondary data, in the form of financial statements that can be obtained through the website. official companies such as www.idx.co.id and SWA magazine which presents the Corporate Governance Perception Index (GCPI) report. The sample in this study was conducted using purposive sampling method with several criteria and obtained 68 samples. The measurement of environmental responsibility variables uses CER, CGPI is proxied by the Corporate Governance Perception Index (CGPI) score published by SWA magazine (PT Swasembada Media Bisnis), profitability is proxied by ROE, firm value is measured by Tobin's Q. Data analysis uses stepwise linear regression analysis with two research models, namely:

ROE = a+ b1 CER + b2 GCG + 1

Tobin's Q = a+ b 3CER + b 4GCG + b 5 ROE + 2

Information :

a : Constant

b1-5 : Regression Coefficient

1-2 : error term, assumed 0

GCG : Good Corporate Governance

CER : Environmental Responsibility

ROE : Profitability

Tobin's Q : Company Value

Hypothesis testing in this study uses statistical t-test, to test the indirect effect of CER and GCG on firm value through profitability using the Sobel test.

Table 1. F Test Results Equation 1

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	32,301	2	16,150	29,933	.000 b
	Residual	35,070	65	.540		
	Total	67.371	67			

a. Dependent Variable: ROE
b. Predictors: (Constant), GCG, CER

Based on table 1, the F-count value is 29,933 with probability (p) = 0.000. Based on the provisions of the F test where the probability value (p) 0.05, the equation one test model is feasible to be used in this study.

Table 2. Staged Linear Analysis Equation 1

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-31.329	5.652		-5.543	.000
	CER	.806	.154	.469	5,227	.000
	GCG	6,790	1,274	.478	5,331	.000

Effect of Disclosure CER on Profitability

Based on the t test in table 2, it can be concluded that Corporate Environmental Responsibility Disclosure has a significant effect on profitability. This conclusion is shown from the CER significance value of 0.000 below 0.05. If the significance value is less than 0.05, it is stated that there is an effect. Thus, the results of testing Hypothesis one which states that Corporate Environmental Responsibility Disclosure has a significant effect on Profitability, is accepted.

This finding is in accordance with the research conducted by Xu, Q., Lu, Y., Lin, H., & Li, B. (2021) shows that Disclosure of Environmentally Responsible Information has a positive impact on company profitability. These results can be interpreted that a company's CER disclosure is a positive signal that the public gets on the company's performance. This is in accordance with the legitimacy theory which states that a company must maintain its relationship with the environment and the surrounding community because the company's life depends on that relationship. When the company continuously discloses CER, the public/ consumers will react positively and judge that this company has an image who care about Environmental Responsibility. Therefore, consumers will tend to be loyal to products from companies that have disclosed their CER activities. So that the company's CER Disclosure efforts can increase the possible benefits of customer loyalty to their products so that product sales will increase and profits will also increase.

The Effect of GCG on Profitability

Based on the t test in table 2, it can be concluded that GCG has a significant effect on profitability. This conclusion is shown from the GCG significance value of 0.000 below 0.05. If the significance value is less than 0.05, it is stated that there is an effect. Thus, the results of testing the second hypothesis which states that GCG has a significant effect on profitability, is accepted.

This finding is in line with research conducted by Fabiani, F., & Breliastiti, R (2020) which shows that GCG has an influence on the company's financial performance. By implementing good governance, companies tend to have higher values. With GCG, the company's performance becomes more efficient so that the company has the opportunity to generate greater profits.

This can be due to the CGPI scores that have been published to the public at large, make the credibility of the company increase so that the value of sales will increase and have an impact on increasing company profits. With the research program conducted by IICG together with SWA Magazine, it can be seen how reliable governance is in a company. GCG can improve the supervision and control of the company, so that the possibility of misuse of assets or other losses can be minimized. So that more supervision, completeness of documents and controls within the company can affect the financial performance of the company itself.

Table 3. Determination Test Results for Equation 1
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.692 [a]	.479	.463	.73453

a. Predictors: (Constant), GCG, CER

The effect of CER and GCG simultaneously on ROE is indicated by the Adjusted R Square value of 0.463. That is, 46.3 % ROE is influenced by CER and GCG.

Table 4. F Test Results Equation 2

ANOVA [a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4,531	3	1,510	23,911	.000 [b]
	Residual	4.042	64	.063		
	Total	8,573	67			

a. Dependent Variable: Firm Value
b. Predictors: (Constant), ROE, CER, GCG

Based on table 4, the F-count value is 23,911 with probability (p) = 0.000. Based on the provisions of the F test where the probability value (p) 0.05, the equation two research model is feasible to be used in this study.

Table 5. Results of Multiple Regression Analysis Equation 2

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-4,528	2,347		-1,929	.058
	CER	.128	.063	.210	2,044	.045
	GCG	1.190	.522	.235	2.279	.026
	ROE	.165	.042	.463	3.890	.000

The Effect of CER on Firm Value

Based on the t test in table 5, it can be concluded that the CER Disclosure has a significant effect on firm value. This conclusion is shown from the CER significance value of 0.045 below 0.05. If the significance value is less than 0.05, it is stated that there is an effect. Thus, the results of testing the third hypothesis which states that CER Disclosure has a significant effect on Firm Value, is accepted.

The results of this study are supported by previous research conducted by Moser, DV, & Martin, PR (2012) which suggests that there is a positive influence between CER Disclosure on Firm Value. This is in line with stakeholder theory which states that one way for companies to manage their responsibilities and relationships to their stakeholders is by disclosing CER.

These results can be interpreted that The disclosure of the company's CER has been used as an investor to be a positive influence on the company's performance. Investors judge that this company has an image who care about Environmental Responsibility. So with this assessment, they will be interested in buying company shares and the demand for company shares will increase. When the demand for shares increases, it will reflect an increase in the value of the company.

The Effect of GCG on Company Value

Based on the t test in table 5, it can be concluded that GCG has a significant effect on firm value . This conclusion is shown from the GCG significance value of 0.026 below 0.05. If the significance value is less than 0.05, it is stated that there is an effect. Thus, the results of testing the fourth hypothesis (H4) which states that GCG has a significant effect on firm value, is accepted.

This finding is in accordance with the research conducted by, Dianawati, CP, & Fuadati, SR (2016), and Oktaryani et al (2017), Hidayat, A., & Yuliah, N. (2018), Xu, Q., Lu, Y., Lin, H., & Li, B. (2021) Budiharjo, R. (2021), show that GCG has a positive impact on firm value. This can be interpreted that The implementation of GCG is able to improve strict supervision of the company's performance so as to contribute to the improvement of financial performance. This is also in line with stakeholder theory which reveals that, the purpose of this theory is to direct managers to handle the management and economics of the company to achieve the company's goal of increasing company value. With a moral and ethical foundation, the company must perform the best governance in the process of producing the best corporate value as well.

The Effect of Profitability on Firm Value

Based on the t test in table 5, it can be concluded that profitability has a significant effect on firm value. This conclusion is shown from the profitability significance value of 0.000 below 0.05. If the significance value is less than 0.05, it is stated that there is an effect. Thus, the results of testing the fifth hypothesis which states that profitability has a significant effect on firm value, is accepted.

This finding is in accordance with research conducted by Chen, L. J., & Chen, S. Y. (2011), Nofrita, R. (2013), Lubis, et all (2017), Mufidah, N. M., & Purnamasari, P. E. (2018), Ali, J., & Faroji, R. (2021) showing that profitability has a positive effect to firm value. Based on the description indicates that the higher the profitability of a company, the higher the value of the company.

Table 6 Determination Test Results for Equation 2

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.727 [a]	.528	.506	.25132

a. Predictors: (Constant), CER, GCG, ROE

The magnitude of the effect of CER, GCG and ROE simultaneously on firm value is indicated by the Adjusted R Square value of 0.506. That is, 50, 6 % Firm Value is influenced by CER, GCG and ROE .

Table 7. Results of Sobel Test Analysis Equation 1

	Input:		Test statistic:	Std. Error:	*p*-value:
a	0.806	Sobel test:	3.14192134	0.0423276	0.00167843
b	0.165	Aroian test:	3.10586907	0.04281893	0.00189721
s_a	0.154	Goodman test:	3.17925893	0.0418305	0.00147652
s_b	0.042	Reset all	Calculate		

Based on the Sobel test in table 7, it can be concluded that profitability can mediate the relationship between CER disclosures and firm value. This conclusion is shown from the Sobel test value of 3.141 > 1.96 and the sig value of 0.001 < 0.05. If the sobel value is > 1.96 and the sig p value is < 0.05, then it is stated that it can mediate. Thus, the results of testing the sixth hypothesis which states that profitability can mediate the relationship between CER and firm value is accepted.

This finding according to research that has been done by Dianawati and Fuadati (2016). The results of testing this hypothesis are in accordance with the legitimacy theory which states that if a company discloses CER then the company feels that its existence and activities will receive status from the community or environment in which the company operates or can be said to be legitimized. Disclosure of

CER gives a positive signal to the public that the company is carrying out environmental and social responsibilities. It can attract consumers/community in considering the decision to buy products from the company. When the demand for the product increases, it will increase the company's sales. When the company's sales activity increases, it directly reflects an increase in the company's profitability.

When the company generates high profits, it indicates that the company's performance is good and the company's prospects are also good for the long term. So that it can attract investors to buy shares of the company. When the demand for shares is high, it will increase the stock price. When the stock price is high, it directly reflects the high value of the company.

From the results of data processing, there is a partial mediation where profitability as a mediator on firm value as the dependent variable has a significant effect and the effect of CER Disclosure as an independent variable on profitability is also significant. Based on this description, profitability can partially mediate the effect of CER Disclosure on firm value.

The Effect of Profitability in Mediating the GCG Relationship on Firm Value

Table 8 Results of Sobel Test Analysis of Equation 2

	Input:		Test statistic:	Std. Error:	*p*-value:
a	6.790	Sobel test:	3.1623096	0.3542822	0.00156523
b	0.165	Aroian test:	3.12684788	0.35830013	0.00176691
s_a	1.274	Goodman test:	3.19900587	0.35021818	0.00137902
s_b	0.042	Reset all	Calculate		

Based on the Sobel test table 8 , it can be concluded that profitability can mediate the relationship between GCG and firm value. This conclusion is shown from the Sobel test value of 3.1623 > 1.96 and the sig value of 0.001 < 0.05. If the sobel value is > 1.96 and the sig p value is < 0.05, then it is stated that it can mediate. Thus, the result of testing the seventh hypothesis which states that profitability can mediate the relationship between GCG and firm value is accepted.

Basically a manager in carrying out his duties has the basic motivation of survival and independence, so managers tend to act opportunistically. Such conditions ultimately trigger agency conflicts because managers tend to maximize the welfare of the company, not the welfare of shareholders. According to agency theory, agency conflicts can be minimized by aligning the interests of shareholders (principal) with the interests of managers (agents). Where one of them is the implementation of GCG. Implementation of Corporate Governance is considered to be able to supervise and control agents so that they do not carry out harmful moral behavior. Thus the actions of managers who tend to be opportunistic can be reduced and managers will act in accordance with the interests of stakeholders. When the implementation of GCG runs effectively and efficiently, all company activities also run well, so that activities related to company performance also improve. The concept of GCG can enable companies to manage the company more efficiently because it will reduce agency costs that may arise in the company and improve the company's financial performance.

IICG states that the company's financial performance is determined by the seriousness of implementing Good Corporate Governance (Marsela, SY, & Maryono, M., 2017) Companies listed in the corporate governance rating score conducted by The Indonesian Institute for Corporate Governance (IICG) have implemented good corporate governance (GCG) well, which indirectly increases the value of shares. The higher the implementation of Good Corporate Governance as measured by CGPI, the higher the company's financial performance will be. The company's high financial performance reflects high profitability. When the company's profit is high, it means showing prospects If the company is doing well, then investors are interested in buying shares. When the demand for shares is high, it will increase the share price, which is directly reflected by the increase in the value of the company.

The results of this study are also supported by previous research conducted by Dianawati, CP, & Fuadati, SR (2016), Kurniasari, K., & Bernawati, Y. (2020), which state that GCG has an effect on firm value through profitability as a mediating variable.

From the results of data processing, there is a partial mediation where profitability as a mediator on firm value as the dependent variable has a significant effect and the influence of GCG as an independent variable on profitability is also significant. Based on this description, profitability can partially mediate the effect of GCG on company value.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of hypothesis testing and analysis in this study, the following conclusions can be drawn: Corporate Environmental Responsibility (CER) has a significant effect on profitability, Good Corporate Governance(GCG) has a significant effect on profitability, disclosure Corporate Environmental Responsibility (CER) has a significant effect on firm value, GCG has a significant effect on firm value , profitability has a significant effect on firm value, profitability can mediate the relationship between CER disclosures on firm value and profitability can mediate the relationship between GCG and firm value .

This study has several limitations, namely: This study only uses three research variables consisting of CER, GCG, and profitability with an R2 value of 50.6 %, thus there are still other factors that affect firm value. This research is only limited to companies that are included in the CGPI list with a period of 5 years, so the number of samples obtained is limited.

Suggestions that researchers can give as input and consideration for related parties, namely: For companies: Should be considered by paying attention to factors that can influence investors' interest in investing their capital in order to increase company value. Such as disclosing CER to increase the company's legitimacy, increasing the implementation of GCG in order to avoid agency conflicts in the company, increasing the ability to generate profits, and paying attention to other factors that can affect investor interest. For investors: In investing their funds, investors should pay attention to other factors that can increase the value of the company and are not limited to the factors studied in this study. For further researchers, it is hoped that this research will be developed by adding other variables outside of this research, as well as expanding the object of research or extending the research period to obtain a larger sample size.

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