

The Effect of Environmental, Social, And Governance Disclosure on Company Value in Property and Real Estate Sector Companies Listed on The Indonesia Stock Exchange for The Period 2020-2023

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ABSTRACT

The aim of this study is to assess the impact of Environmental, Social, and Governance (ESG) disclosure on the value of companies in the Property and Real Estate sector that are listed on the Indonesia Stock Exchange for the period from 2020 to 2023. This research utilizes secondary data and employs purposive sampling along with a quantitative approach. The findings reveal that environmental disclosure positively and significantly influences company value, while social disclosure negatively and significantly affects it. Governance disclosure, on the other hand, has a positive but statistically insignificant effect on company value. Furthermore, the analysis of the third hypothesis indicates that when considered together, the variables of environmental, social, and governance disclosure have a positive and significant impact on company value. This suggests that the combined effect of these ESG factors is beneficial for company value. The study concludes that the influence of environmental, social, and governance disclosures accounts for 37.2% of the variation in company value, leaving 62.8% attributable to other factors not explored in this research.

INTRODUCTION

ESG report disclosure is one of the indicators in assessing company value. This reflects various aspects related to financial health and its growth potential. The implementation of ESG not only helps companies find relevant business opportunities, but also creates a culture that supports ESG values, encourages innovation, and engages employees to understand and support those principles. Global ESG reporting standards provide the necessary tools to ensure that companies not only meet their obligations, but also reap the benefits of increased stakeholder trust (Sawitri, 2010). This ultimately helps companies achieve sustainability goals, reduce risk, build a strong reputation, and support long-term growth, while ensuring a positive contribution to the environment, society, and good governance (Hisyam, 2018). ESG disclosures can be analyzed using GRI Standards. In implementing the Environmental, Social, and Governance (ESG) disclosure measurement approach, researchers utilized the comprehensive Global Reporting Initiative (GRI) standards framework established in 2021 as their foundational methodology. Within this framework, companies are guided to apply specific GRI modules according to disclosure categories: GRI 300 series standards are designated for environmental topics and indicators (encompassing the environmental dimension of ESG), GRI 400 series standards address social topics and related disclosures (covering the social component of ESG), and GRI 102 standards provide the framework for governance information and corporate governance disclosures (addressing the governance aspect of ESG).

The ESG disclosure quantification technique employs a systematic calculation methodology that involves computing the proportional relationship between the total number of disclosure indicators that a company has successfully reported and documented against the complete set of indicators prescribed within each respective GRI module corresponding to every individual aspect of ESG performance. This measurement approach utilizes a binary dummy variable scoring system, wherein each disclosure item receives a numerical value of 1 if the specific disclosure item is explicitly expressed, reported, and communicated by the company, while a value of 0 is assigned if the particular disclosure item remains unreported, omitted, or not disclosed within the company's reporting documentation. This comprehensive research investigation is structured around four distinct and specifically defined research objectives. This research encompasses three comprehensive objectives focused on examining ESG disclosure impacts within Indonesia's property and real estate sector:

The first objective is designed to conduct a systematic and thorough examination of how Environmental Disclosure which constitutes the environmental pillar of ESG reporting influences and affects Company Value among Property and Real Estate Sector Companies that are officially registered and actively traded on the Indonesia Stock Exchange during the comprehensive research period extending from 2020 through 2023.

The second objective is structured to rigorously examine and provide detailed analysis of how Social Disclosure representing the social element of ESG frameworks impacts Company Value specifically for Property and Real Estate

Sector Companies that hold official listings and maintain active trading status on the Indonesia Stock Exchange throughout the four-year analytical timeframe encompassing 2020 to 2023.

The third objective is formulated to systematically examine and conduct an in-depth analysis of how Governance Disclosure – embodying the governance component of ESG reporting – affects Company Value particularly within Property and Real Estate Sector Companies that are formally listed and operationally active on the Indonesia Stock Exchange across the extensive research duration covering the years 2020 through 2023. Each objective maintains focus on the same sector (property and real estate), geographic market (Indonesia Stock Exchange), temporal scope (2020-2023), and analytical approach (systematic testing and comprehensive analysis), while examining distinct ESG components and their respective relationships with company valuation metrics.

The fourth and final objective endeavors to thoroughly test and comprehensively analyze the simultaneous and combined Impact of comprehensive ESG Disclosure (incorporating all three fundamental components: Environmental, Social, and Governance dimensions working collectively) on Company Value specifically among Property and Real Estate Sector Companies that are officially listed and actively traded on the Indonesia Stock Exchange during the complete research investigation period spanning from 2020 through 2023.

LITERATURE REVIEW

Signalling Theory

Signaling theory, first introduced by Spence in 2017, offers a framework for understanding how information is communicated between parties, particularly in the context of business and investment. According to this theory, the party that possesses valuable information – typically the company – sends out signals that convey its current condition and performance. These signals can take various forms, such as financial reports, corporate announcements, or disclosures regarding business practices. The information provided by the company is crucial for investors, who rely on it to make informed decisions. If the signals sent by the company are perceived as positive, investors are likely to respond favorably, which can lead to increased demand for the company's stock. This positive reception allows investors to differentiate between companies that exhibit high quality and those that do not meet such standards. As a result, companies that effectively communicate their strengths and positive attributes can experience a rise in their stock prices.

This phenomenon is significant because it not only reflects the immediate market response but also contributes to the long-term valuation of the company. When investors recognize a company as high quality based on the signals received, it can lead to sustained increases in stock prices and overall company value. Dessy (2011) emphasizes that this differentiation process is essential for market efficiency, as it helps allocate resources to companies that are perceived as more capable and promising, ultimately benefiting both investors and the broader economy. In summary, signaling theory highlights the importance of

effective communication from companies to investors, illustrating how positive information can enhance investor confidence, influence stock prices, and elevate company value in the competitive marketplace.

Signaling theory (signalling theory) was originally conceptualized and first formally presented by Spence (2017), establishing a comprehensive theoretical framework that systematically explains and elucidates the complex mechanism through which the information-transmitting party (specifically identified as the owner or holder of proprietary information) deliberately provides and delivers strategic signals in the form of structured information that thoroughly describes, characterizes, and represents the company's operational condition, financial performance, strategic position, and overall organizational circumstances. This transmitted information is specifically considered to be useful, valuable, and beneficial for the information-receiving party, which primarily consists of investors, stakeholders, and other market participants who rely on such information for decision-making purposes.

The theoretical mechanism operates on the principle that when the information that is systematically submitted, communicated, and disseminated by the company is subsequently received, processed, and interpreted by investors, and this information carries positive implications, favorable connotations, and beneficial value propositions, investors will naturally and predictably provide a positive response, favorable reaction, and constructive feedback to such information disclosure. This positive investor response manifests through various market behaviors including increased investment interest, enhanced confidence levels, and greater willingness to engage with the company's securities. This signaling mechanism creates a fundamental capability and strategic advantage that allows investors to effectively distinguish, differentiate, and discriminate between high-quality companies that demonstrate superior performance, strong governance, and promising prospects, versus non-quality companies that exhibit inferior performance metrics, weak operational efficiency, and questionable future viability. The ability to make such distinctions enables more informed investment decision-making and more accurate company valuations.

As a direct consequence of this signaling process and the resulting investor differentiation capabilities, stock prices demonstrate a tendency to increase, appreciate, and move upward in response to positive signals, while simultaneously the overall value of the company becomes higher, more substantial, and more attractive to market participants (Dessy, 2011). This theoretical framework fundamentally demonstrates how strategic information disclosure serves as a critical mechanism for reducing information asymmetries between corporate management and external stakeholders, while simultaneously enabling companies to communicate their true quality and potential to the investment community through carefully crafted signaling strategies.

According to Jogiyanto (2013), signaling theory places significant emphasis on the critical importance and fundamental role of information that is conveyed, transmitted, and communicated by the company in directly

influencing and shaping the investment decisions made by external parties, including investors, stakeholders, and other market participants. The information that is published, released, and disseminated in the form of official announcements serves as a crucial signal that provides guidance and direction for investors when they are engaged in the process of making strategic investment decisions and portfolio allocation choices. The interconnection and relationship between signaling theory and company valuation operates on the principle that companies possessing good values, strong performance metrics, solid fundamentals, and positive operational characteristics will naturally provide, transmit, and deliver positive signals to the market and investment community. Conversely, companies that exhibit poor values, weak performance indicators, substandard operational results, and negative organizational characteristics will inevitably provide, generate, and transmit negative signals that reflect their inferior condition and prospects.

This signaling dynamic and market response mechanism occurs primarily due to investor motivation and behavioral patterns that are fundamentally focused on profit maximization, return optimization, and financial gain achievement. Consequently, companies that demonstrate low values, poor performance, weak fundamentals, and unfavorable prospects tend to be systematically avoided, rejected, and excluded by investors who seek to minimize risk exposure and maximize potential returns on their investment portfolios (Muhyi, 2017). This creates a direct correlation between the quality of signals transmitted by companies and their ability to attract investment capital and maintain favorable market valuations. With reference to signaling theory (signalling theory), which establishes a fundamental relationship concerning how companies can effectively convey, communicate, and transmit information to stakeholders, including comprehensive details regarding environmental performance and sustainability practices. Clear, transparent, and comprehensive disclosure of environmental information serves as a valuable mechanism that functions as a positive signal capable of enhancing and increasing investor confidence, trust, and market credibility.

Through the application and utilization of signaling theory principles, investors are equipped with the capability to effectively use and analyze information pertaining to various environmental indicators including materials consumption and management, energy utilization and efficiency, treated and untreated wastewater management systems, biodiversity conservation efforts and impacts, greenhouse gas emissions levels and reduction initiatives, wastewater and waste discharge management practices, environmental compliance records and regulatory adherence, and comprehensive supplier environmental assessment protocols and evaluation processes. This theoretical framework specifically focuses on and emphasizes how companies impact, influence, and affect the natural environment through their operational activities and business practices. The findings and outcomes of this research investigation align with and are consistent with previous research conducted by Tjahjono (2009), which carried the title "The Influence of Environmental Performance on Company Value and Financial Performance." This referenced study

demonstrated and established that environmental factors, performance, and disclosure practices have a positive and statistically significant effect on company value, market valuation, and overall financial performance metrics. The consistency between these research findings reinforces the validity and reliability of the relationship between environmental disclosure practices and enhanced company valuation through effective signaling mechanisms.

H1: Environmental disclosure has a positive and significant influence on the company's value.

Referring to the *signaling theory*, social disclosure can function as an indicator that a company has responsible management, concerns about long-term risks, and is ethically executed. Through these signals, the company is able to build the trust of investors and other stakeholders, which can ultimately increase interest in the company's shares, encourage an increase in stock prices, lower capital costs, and strengthen the company's value in the long run.

Companies pay attention to social disclosure because of its significant influence, both directly and indirectly, on the increase in the value of the company. Social information submitted voluntarily becomes part of a communication strategy to strengthen reputation and build investor trust. In this case, social disclosure helps reduce information inequality between companies and the public and shows positive business prospects. Based on this, it can be concluded that consumers tend to have higher loyalty to brands that carry out social responsibility. The same is true for employees, who feel more proud and motivated to work in a company that cares about social issues. On the other hand, companies that ignore social responsibility, for example related to work safety, discrimination, or environmental impacts, have the potential to experience public rejection, boycotts, and reputational damage, which can have a negative impact on financial performance. Therefore, social disclosure is seen not just as an ethical obligation, but as a business strategy that supports increasing the company's value, sustainability, and competitive advantage.

The findings and conclusions derived from this research investigation exhibit concordance and compatibility with the outcomes reported in the study performed by Sutanto et al. (2024), which bore the title "The Effect of Corporate Social Responsibility on Company Value with Profitability as an Intervening Variable in Banking Companies Listed on the Indonesia Stock Exchange from 2020 to 2022." In their thorough research examination, Sutanto et al. identified and confirmed that corporate social responsibility (CSR) activities and initiatives exhibit a negative and statistically significant influence on the market valuation of the companies within their research scope. The convergence of these research outcomes suggests that both investigations arrived at similar conclusions regarding the relationship between social responsibility disclosures and corporate valuation, despite examining different sectors (property and real estate versus banking) within the Indonesian capital market context. This alignment reinforces the validity of the findings across multiple industry segments and provides supporting evidence for the observed negative correlation between CSR implementation and company value metrics within the Indonesian Stock Exchange environment during overlapping time periods.

This particular finding suggests and indicates that, in contrast to conventional expectations and theoretical predictions, the implementation, execution, and deployment of CSR practices and social responsibility programs may not contribute to the enhancement of company value and market valuation, and could potentially serve to diminish, reduce, or detract from overall corporate worth and investor perception. These research outcomes effectively highlight and emphasize the inherent complexities, intricacies, and multifaceted nature of how social factors, CSR initiatives, and social responsibility dimensions influence, affect, and impact corporate performance, financial metrics, and market valuation specifically within the banking sector and financial services industry during the designated research timeframe spanning from 2020 to 2022. The convergence of these research findings underscores the nuanced and sometimes counterintuitive relationships that exist between social disclosure practices and company valuation outcomes in specific industry contexts and market conditions.

H2: Social disclosure has a positive and significant influence on a company's value.

Referring to the signaling *theory*, the application of good corporate *governance* principles is a means for management to convey positive signals to the market. This signal shows that the company is run in a transparent and accountable manner, which can increase the trust of investors and contribute to increasing the company's value. Strong governance indicates that the company is able to effectively handle risks and conflicts of interest, that management is in the interests of shareholders, and that the information submitted, including financial statements, is trustworthy. This makes the company more resilient to challenges such as crises or legal issues. However, the influence of corporate governance that tends to appear in the long term on the value of the company used in the study may reflect short-term conditions. Such as financial performance, growth rate, business risk, and macroeconomic factors often have a more dominant role in determining the company's value, so that the impact of *governance* is less visible statistically. If governance disclosures are only made to meet formal rules without any real implementation, the market may not perceive them as a factor that adds value to the company. The lack of variation in governance practices among the companies in the sample can also lead to data not being diverse enough to show a significant relationship. In addition, in developing countries or markets that are not yet efficient, investors tend not to prioritize *the governance* aspect in their investment decision-making and focus more on the short-term financial aspect.

The results of this study align with the research conducted by Khasanah et al. (2020), which is titled "The Influence of Corporate Social Responsiveness (CSR) and Good Corporate Governance (GCG) on Company Value with Profitability as an Intervening Variable." In their investigation, Khasanah et al. explored the relationship between CSR, GCG, and company value, emphasizing the role of profitability as a mediating factor. Their findings reveal that good corporate governance (GCG) positively influences the value of a company; however, this effect is not statistically significant. This suggests that while there

may be a theoretical or conceptual link between governance practices and company valuation, the data does not provide strong enough evidence to confirm that governance directly enhances company value in a meaningful way.

The study highlights the complexity of the relationships among CSR, GCG, and company value, indicating that other factors may play a more critical role in determining how these elements interact. It also underscores the importance of profitability as an intervening variable, suggesting that the impact of governance on company value may be more pronounced when profitability is taken into account. Overall, the research contributes to the understanding of how corporate governance practices can influence company valuation, while also pointing out the need for further investigation into the nuances of these relationships.

The findings of this research investigation demonstrate congruence with the study conducted by Khasanah et al. (2020), which was entitled "The Influence of Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG) on the Value of the Company with Profitability as an Intervening Variable." The research outcomes presented by Khasanah et al. revealed that good corporate governance exhibits a positive yet statistically insignificant influence on corporate valuation. This alignment between research findings indicates that both studies reached comparable conclusions regarding the relationship between governance practices and company value, where governance factors demonstrate a favorable directional impact that fails to achieve statistical significance thresholds. The consistency of these results across different research contexts reinforces the understanding that while governance mechanisms may contribute positively to corporate value creation, the magnitude of this influence may not be sufficiently robust to establish statistical significance within the examined parameters and methodological frameworks employed in both investigations. The convergence of these research outcomes provides additional empirical support for the nuanced relationship between governance disclosure practices and company valuation metrics, suggesting that governance factors may require further examination or different analytical approaches to fully capture their impact on corporate value within the studied market environments.

H3: Governance disclosures have a positive and significant influence on the company's value.

Within the framework of *signaling theory*, ESG practices and disclosures are a strategic way for companies to demonstrate their management qualities and long-term prospects. The better the ESG signals communicated, the higher the market confidence, which ultimately contributes to increased company value. These signals increase positive perceptions from investors and strengthen the company's credibility in the eyes of the market. ESG disclosures indicate that companies are aware of and actively managing risks related to environmental (e.g., carbon emissions), social (such as employee rights and community relations), and governance (such as transparency and business ethics). This minimizes the likelihood of reputational crises, legal sanctions, or social conflicts. ESG disclosures support the company's image as a responsible and sustainable

entity. This can attract more customers, business partners, as well as a qualified workforce, which ultimately strengthens the company's competitiveness. Companies that are assessed to have good ESG performance are considered to have lower long-term risks. As a result, investors and creditors are more willing to provide funds with lower yields, which has an impact on lowering the cost of capital and increasing the value of the company. Companies pay attention to ESG disclosures not only because of external demands, but because they contribute directly to increasing company value, by building trust, reducing risk, and creating long-term competitive advantages. These findings are in line with research hypotheses and theories that the three variables together have a positive and significant effect on the company's value.

H4: Environmental, Social and Governance simultaneously affect the company's value.

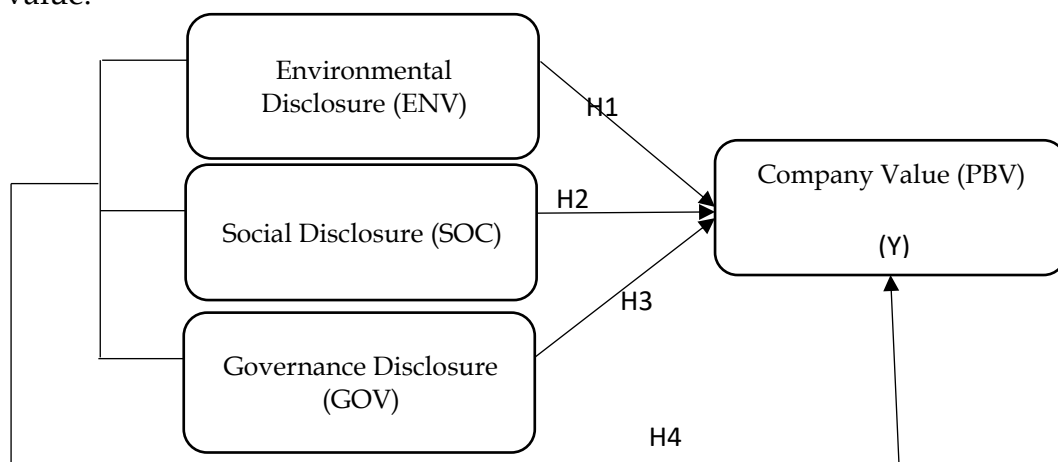


Figure 1. Conceptual Framework

METHODOLOGY

This research investigation implements a verifiable methodological framework through the application of an Explanatory Survey approach. The study concentrates on property and real estate sector enterprises that maintain official listings on the Indonesia Stock Exchange throughout the examination timeframe spanning 2020 to 2023. The analytical data utilized in this research is quantitative in nature and derives from secondary data sources, which constitutes information acquired through intermediary channels rather than obtained directly from primary or original sources. The researcher collected data materials from the Indonesia Stock Exchange (IDX) official website located at www.idx.co.id, along with supplementary information retrieved from www.idnfinancials.com.

This methodological design enables systematic examination of the targeted companies within the specified sector and temporal boundaries, while the reliance on established financial databases ensures data reliability and consistency. The use of secondary data sources from reputable financial platforms provides comprehensive coverage of the required financial and disclosure information necessary for conducting the ESG impact analysis on

company valuations within the Indonesian property and real estate market context.

The research population encompasses service enterprises operating within the property and real estate sector that maintain official listings on the Indonesia Stock Exchange during the designated study period. The sampling technique utilized in this investigation is purposive sampling methodology. This approach involves the deliberate selection of sample units based on specific predetermined criteria that align with the research objectives, rather than employing random sampling procedures. The purposive sampling method enables the researcher to focus on companies that meet particular characteristics relevant to the study's aims, ensuring that the selected sample adequately represents the target population while maintaining relevance to the research questions being investigated. The use of purposive sampling in this context allows for strategic selection of property and real estate companies that possess the necessary data availability and characteristics required for comprehensive ESG disclosure analysis, thereby enhancing the quality and applicability of the research findings within the specified sector and market environment. Data collection was conducted through a literature review, where the researcher examined relevant reference materials related to the study's topic. For data analysis, both descriptive and statistical methods were utilized, with the analysis being processed using SPSS software. The sample included eight companies, each observed over a four-year period, resulting in a final sample size of 32 observations.

The type of research used in this study is verifiable with the *Explanatory Survey*. Research object research on these variables in property and real estate sector companies listed on the Indonesia Stock Exchange for the 2020-2023 period. The type of data studied is quantitative and the data source used in this study is secondary data. Secondary data is data obtained through intermediaries, not directly from the source. The author in this study obtained information data through the Indonesia Stock Exchange (IDX) website www.idx.co.id and other data was also obtained from www.idnfinancials.com. The population used in this study is property and real estate sector service companies listed on the Indonesia Stock Exchange for the 2020-2023 period. In this study, the sample extraction method used *purposive sampling*. The data collection method in this study is collected by the literature study method where the researcher studies reference books that are relevant to the subject in this study. The data analysis methods used in this study are descriptive analysis and statistical analysis processed using SPSS software. The companies that entered the sample were 8 companies with 4 years of observation. The final sample used in the company was 32.

Data collection procedures have been aligned with the established criteria specifications. The research population identified in this study comprises property and real estate sector enterprises that maintain listings on the Indonesia Stock Exchange, with the following considerations serving as determinants for sample selection in this investigation:

1. Property and real estate sector enterprises that hold official listings on the Indonesia Stock Exchange throughout the period spanning 2020 to 2023.
2. Property and real estate sector enterprises that have comprehensively published their complete financial documentation (Annual reports) consistently during the entire 2020-2023 timeframe.
3. Property and real estate sector enterprises that provide comprehensive and complete Environmental, Social, and Governance disclosure information throughout the 2020-2023 research period.

These sampling criteria ensure that only companies with sufficient data availability and disclosure completeness are included in the study, thereby maintaining data integrity and enabling thorough analysis of ESG impacts on company valuations. The criteria establish a framework for selecting companies that can provide the necessary information for comprehensive examination of all three ESG components across the specified four-year period, ensuring consistency and reliability in the research findings.

RESEARCH RESULTS

Descriptive Statistical Analysis

Descriptive statistical analysis is a method to describe the data that has been collected. This analysis aims to provide an overview of the data without making generalized conclusions. Based on 8 samples of companies in the property and real estate sector in the 2020 – 2023 period, the minimum, maximum, average and PBV values of each variable used in the study can be known. Based on descriptive statistical analysis, the following sample description was obtained:

Table 1. Descriptive Statistical Analysis

	N	Minimum	Maximum	Mean	Hours of deviation
Environmental	32	.00	.81	.4189	.25099
Social	32	.00	.63	.3672	.16782
Governance	32	.00	.97	.5035	.40713
Company Values	32	.00	1395.64	290.1097	477.74039
Valid N (listwise)	32				

Source: Data processed SPSS 26, 2025

In the table above, the results of descriptive statistics have been displayed, so they can be presented as follows:

1. In the environmental disclosure variable , the minimum value is 0.00, the maximum value is 0.81, the mean value is 0.4189, and the standard deviation value is 0.25099.
2. In the social disclosure variable , the minimum value is 0.00, the maximum value is 0.63, the mean value is 0.3672, and the standard deviation value is 0.16782.

3. In the governance disclosure variable , the minimum value is 0.00, the maximum value is 0.97, the mean value is 0.5035, and the standard deviation value is 0.40713.
4. In the company value variable, the minimum value is 0.00, the maximum value is 1395.64, the mean value is 290.1097, and the standard deviation value is 477.74039.

Classic Assumption Testing

To determine whether the regression model demonstrates a significant relationship, it is essential for the model to satisfy classical assumptions. In this study, the classical assumption tests conducted include the normality test, the multicollinearity test, the heteroscedasticity test, and the autocorrelation test.

Normality Test

Table 2. Uji Normalitas One-Sample Kolmogorov-Smirnov Test
One-Sample Kolmogorov-Smirnov Test

		Unstandardi zed Residual
N		32
Normal Parametersa,b	Mean	.0000000
	Hours of deviation	378.60801476
Most Extreme Differences	Absolute	.126
	Positive	.126
	Negative	-.088
Test Statistic		.126
Asymp. Sig. (2-tailed)		.200c,d

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. This is a lower bound of the true significance.
- e. Based on 10000 sampled tables with starting seed 957002199.

Source: Data processed SPSS 26, 2025

Based on the findings in Table 2, the Asymptotic Significance (2-tailed) value of 0.200 exceeds the significance threshold of 0.05, indicating that the normality assumption is satisfied and the data follows a normal distribution. The assessment of data normality can additionally be conducted through examination of point distribution along the diagonal axis in the P-Plot visualization or through analysis of the histogram displaying residuals. The decision criteria are established as follows: When data points are distributed around the diagonal line and align with the diagonal line's direction, or when the histogram displays a normal distribution pattern, the regression model fulfills the normality assumption requirements. The P-Plot graph and histogram can be seen in the following Figure:

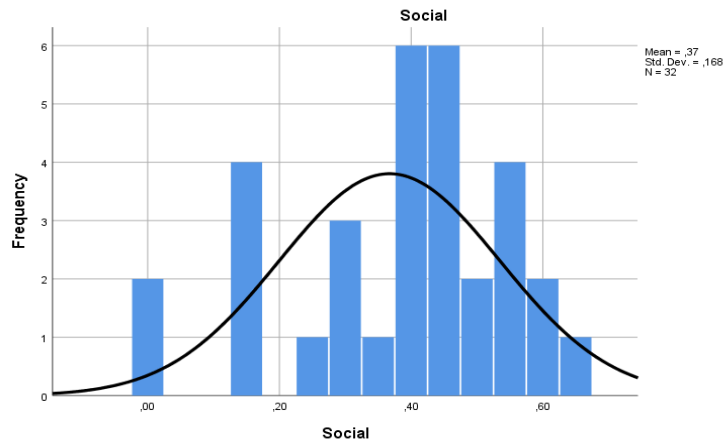
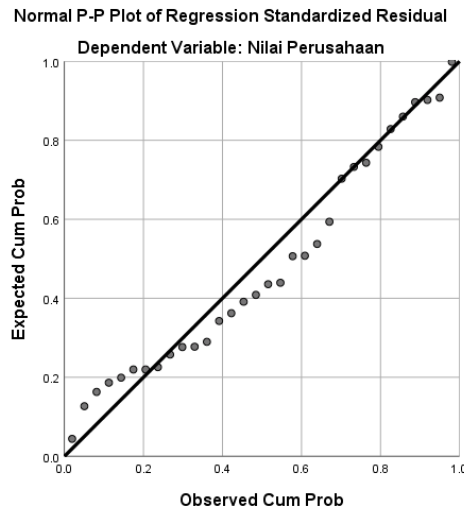


Figure 2 Histogram

The results of the Histogram graph show a histogram graph that gives a normal distribution. On a chart that is shaped like an inverted bell that fills the line, the data is said to be normal.



Source: Data processed SPSS 26, 2025

Figure 3 Normality Testing

The test results showed that the dots were not far from the diagonal line. This indicates that the data is distributed normally.

Multicollinearity Test

An effective regression model requires not only normally distributed data but must also be free from multicollinearity issues. Multicollinearity refers to the correlation that exists between one independent variable and other independent variables within the model. The multicollinearity examination serves to determine whether correlations are present among the independent variables incorporated in the regression model. This diagnostic test is essential for validating the integrity of the regression analysis by identifying potentially problematic relationships between predictor variables. The results of the multicollinearity test are in the table below:

Table 3. Multicollinearity Test
Coefficientsa

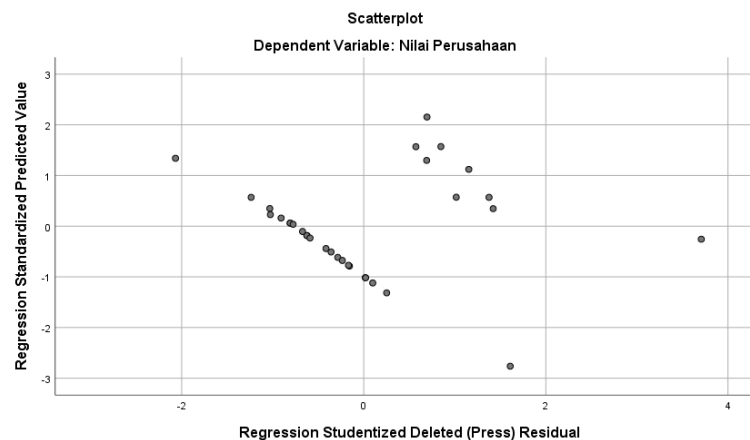
Model		Collinearity Statistics	
		Tolerance	BRIGHT
1	(Constant)		
	Environmental	.497	2.012
	Social	.496	2.016
	Governance	.998	1.002

a. Dependent Variable: Company Value

Source: Data processed SPSS 26, 2025

Based on the aforementioned test outcomes, the SPSS analysis demonstrates that the independent variables are not affected by multicollinearity, as evidenced by examining both the tolerance values and the Variance Inflation Factor (VIF) values. The tolerance values exceed the threshold of 0.10, while the VIF values remain below the critical limit of 10 for all variables under consideration. These statistical indicators confirm the absence of multicollinearity among the environmental, social, and governance disclosure variables, thereby validating the appropriateness of including these variables simultaneously in the regression model.

Heteroscedasticity Test



Source: Data processed SPSS 26, 2025

Figure 4. Scatterplot

In the image of the SPSS output results above the regression model, it shows that the points are spread above and below the number 0 on the Y axis, so heteroscedasticity does not occur.

Autocorrelation Test

In this study, the method used to test the presence or absence of autocorrelation in a regression model is using *the Durbin-Watson Test (DW)*.

Table 4. Autocorrelation Test

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.610a	.372	.305	398.37459	1.356

a. Predictors: (Constant), Governance, Environmental, Social

b. Dependent Variable: Company Value

Source: Data processed SPSS 26, 2025

Based on table 4, the Durbin-Watson (DW) statistical value is 1.356 where the value is between -2 to 2. From these results, it can be concluded that there is no autocorrelation in the regression model.

Regresi Linear Berganda

The statistical method used is multiple linear regression. This method is used to determine the relationship between independent variables and positively or negatively related dependent variables.

Table 5. Regresi Linear Berganda

Coefficients^a

Model		Unstandardized Coefficients	
		B	Std. Error
1	(Constant)	356.518	196.624
	Environment	1611.416	404.380
	Social	-2050.907	605.302
	Governance	22.970	175.956

a. Dependent Variable: Company Value

Source : Data processed SPSS 26, 2025

Based on the multiple regression equation that has been described, the following is the interpretation of the regression equation model.

$$Y = 356.518 + 1611.416X_1 - 2050.907X_2 + 22.970X_3 + e$$

This means that companies in the property and real estate sectors based on the influence of *environmental, social, and governance* disclosures affect the company's value. This can be seen from the regression coefficient.

The following is the interpretation of the multiple regression equation above:

1. From the value of the regression coefficient, it is known that the great influence of *environmental* disclosure on the company's value is 1611,416. This means that if the environmental increases by 1%, the company's value will increase by 16.11416.
2. From the value of the regression coefficient, it is known that the effect of *Social Disclosure* on the company's value is - 2050.907 which means that the

effect of social disclosure increases by 1%, then the company's value will decrease by 20.50907.

- From the value of the regression coefficient, it is known that the influence of *governance* disclosure on the company's value is 22.970, which means that if *governance* increases by 1%, the company's value will increase by 0.22970.

Hypothesis Testing

In hypothesis testing, a partial significance test (t-test), a simultaneous significant test (F-test), and a Determination Coefficient Test (R2) will be carried out. The following are the results of the t-test, F test, and determination coefficient.

Partial Significance Test (t-test)

The t-test serves to examine the significance of individual independent variables by determining whether each variable has a genuine or insignificant partial effect on the dependent variable. The methodology involves comparing the calculated t-value (t0) against the critical t-value from the t-table (t critical value), utilizing the specifications presented in SPSS 26 output results in conjunction with the confidence level established for the research study (for instance, $\alpha = 5\%$). This comparison allows researchers to assess the statistical significance of each predictor variable's individual contribution to explaining variance in the dependent variable.

Table 6. Partial Test Results

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	356.518	196.624		1.813	.081
	Environmental	1611.416	404.380	.847	3.985	.000
	Social	-2050.907	605.302	-.720	-3.388	.002
	Governance	22.970	175.956	.020	.131	.897

a. Dependent Variable: Company Value

Source : Data processed SPSS 26, 2025

Based on the results of the partial test (t-test) from table 6, the influence of independent variables on dependent variables can be explained as follows:

- The hypothesis from the table above shows that the value of X1 is $0.000 < 0.05$, meaning that it has a significant effect on the calculation of X1 ($3.985 >$ the table of 1.717). It can be concluded that *environmental* disclosure has a positive and significant effect on the company's value.
- From the table above, it shows that the value of X2 is $0.002 < 0.05$, meaning that it has a significant effect on the calculation of X2 ($-3.388 <$ the table of 1.717). It can be concluded that *social* disclosure has a negative and significant effect on the company's value.

- The hypothesis from the table above shows that the value of X_3 is $0.897 > 0.05$, meaning that there is no significant effect on the $t_{\text{calculation}}$ of X_3 ($0.131 <$ the table of 1.717). It can be concluded that *governance* disclosure has a positive but not significant effect on the company's value.

Simultaneous Significant Test (F Test)

Table 7. Simultaneous Test Results (F Test)

		ANOVA				
Model		Sum of Squares	Df	Mean Square	F	Itself.
1	Regression	2631647.513	3	877215.838	5.527	.004b
	Residual	4443664.894	28	158702.318		
	Total	7075312.407	31			

a. Dependent Variable: Company Value

b. Predictors: (Constant), Governance, Environmental, Social

Source: Data processed SPSS 26, 2025

Based on Table 7, it is known that the F_{cal} value is 5.527 and the significance value is 0.004. Furthermore, the calculated obtained will be compared with the F_{table} . The formula for finding F_{table} is ($n =$ the number of data samples and $k =$ the total number of variables) i.e. $F_{\frac{k-1}{n-k} \frac{4-1}{32-4} \frac{3}{28}}$ of the table 3.34 is obtained. So the result is $F_{\text{cal}} (5,527) > F_{\text{table}} (3,34)$. This means that the *Environmental, Social and Governance* disclosure variables simultaneously have a positive and significant effect on the Company's Value. So H_4 was accepted.

Coefficient of Determination Test (R²)

Table 8. Determination Coefficient Test Results

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.610a	.372	.305	398.37459

a. Predictors: (Constant), Governance, Environmental, Social

b. Dependent Variable: Company Value

Source: Data processed SPSS 26, 2025

From the data above, it can be concluded that 37.2% of the influence of dependent variables on the value of the company and 62.8% is influenced by other variables.

DISCUSSION

The Effect of Environmental Disclosure on Company Value

The research findings demonstrate that environmental disclosure exerts a positive and significant impact on company value, as evidenced by the calculated t-value of t_1 (3.985) exceeding the table value of t_{table} (1.717), accompanied by a

significance level of 0.000 which is below the threshold of 0.05. This indicates that environmental disclosure partially demonstrates a positive and significant influence on company value. The results suggest that improvements in environmental performance correspond to enhanced company value. These findings align with previous research conducted by Tjahjono (2009), titled "The Influence of Environmental Performance on Company Value and Financial Performance," which similarly demonstrated that environmental factors have a positive and significant effect on company value. Given these statistical results, H1 is accepted, confirming the hypothesis that environmental disclosure positively affects company value.

The Effect of Social Disclosure on Company Value

The study findings reveal that social factors exert a negative and statistically significant impact on corporate value, as evidenced by the calculated t-value of -3.388, which falls below the critical table value of 1.717, accompanied by a significance level of 0.002 that is less than the 0.05 threshold. This indicates that social disclosure demonstrates a partially negative and significant influence on firm valuation. The statistical analysis demonstrates that enhanced social performance scores correlate with improved company valuations.

These findings align with prior research conducted by Sutanto et al. (2024), who examined "The Effect of Corporate Social Responsibility on Company Value with Profitability as an Intervening Variable in Banking Companies Listed on the Indonesia Stock Exchange in 2020-2022." Their investigation similarly demonstrated that social factors produce a negative and significant effect on corporate value. Given these statistical outcomes, the second hypothesis (H2) is accepted, confirming that social disclosure significantly influences company valuation. The research results corroborate the work of Sutanto et al. (2024) in their study titled "The Influence of Corporate Social Responsibility on Company Value with Profitability as an Intervening Variable in Banking Companies Listed on the Indonesia Stock Exchange in 2020-2022," which established that social variables have a negative and significant effect on company value. This consistency across studies reinforces the validity of the relationship between social disclosure and firm valuation in the context of publicly traded companies.

The Effect of Governance Disclosure on Company Value

The study results indicate that governance disclosure exhibits a positive but not statistically significant impact on corporate valuation. This conclusion is supported by the t-statistic of 0.131, which remains below the critical threshold of 1.717, while the significance level of 0.897 surpasses the conventional alpha level of 0.05. These statistical measures demonstrate that governance disclosure partially shows a positive yet statistically non-significant influence on firm value.

The findings are consistent with previous academic work by Khasanah et al. (2020), who conducted research titled "The Influence of Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG) on Company Value with Profitability as an Intervening Variable." Their empirical

investigation yielded comparable results, establishing that governance elements produce a positive but statistically insignificant effect on corporate value.

This alignment between studies reinforces the pattern that while governance disclosure may contribute positively to company valuation, the relationship lacks statistical significance within the tested parameters. The convergence of these research outcomes suggests that governance factors, though directionally favorable, do not demonstrate a robust statistical relationship with firm value under the examined conditions. Consequently, based on these statistical outcomes, H3 is rejected, meaning the hypothesis proposing that governance disclosure significantly affects company value is not supported by the empirical evidence. Claude can make mistakes. Please double-check responses.

The Influence of Environmental, Social, and Governance on Company Values

The research findings demonstrate a simultaneous significant influence of environmental, social, and governance disclosure variables on company value within property and real estate sector companies. This conclusion is supported by the calculated F-value of 5.527 and a significance value of 0.004, which falls below the critical threshold of 0.05. The coefficient of determination (R Square) indicates that 37.2% of the variation in company value is explained by the dependent variables under investigation, while the remaining 62.8% represents the influence of other variables not examined in this research study. These results align with the research hypotheses and underlying theoretical framework, confirming that the three variables collectively exert a positive and significant effect on company value. Based on these statistical outcomes, H4 is accepted, validating the hypothesis regarding the combined influence of these disclosure variables on company valuation.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of research and discussion on the Effect of Environmental, Social and Governance Disclosure on Company Value in Property and Real Estate Sector Companies Listed on the Indonesia Stock Exchange for the 2020-2023 Period, the conclusions obtained are as follows:

1. The initial hypothesis examination demonstrated that Environmental disclosure exerts a positive and statistically significant influence on corporate valuation. Consequently, H1 is supported and accepted in this research study.
2. The second hypothesis analysis reveals that Social disclosure produces a negative and statistically significant impact on company value. Therefore, H2 is not supported and is rejected in this investigation.
3. The third hypothesis evaluation indicates that Governance disclosure demonstrates a positive yet statistically insignificant effect on corporate valuation. As a result, H3 lacks sufficient statistical support and is rejected in this study.
4. The fourth hypothesis testing results establish that the combined Environmental, Social, and Governance disclosure variables collectively demonstrate a significant effect on Company Value when examined

simultaneously. Accordingly, H4 receives statistical support and is accepted in this research.

ADVANCED RESEARCH

1. For Investors, to pay more attention to the GRI Standard in making investments.
2. For the Company, it is expected to care more about the environment, social around the company's premises and also about corporate governance. And it is expected to reveal more extensive information about the GRI Standards in the company.
3. For the next researcher, it is recommended to develop a research model with the addition of other variables that can have a positive influence on the company's value.

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