The Effect of Environmental Disclosure, Social Disclosure, Governance Disclosure, and Cash Holdings on Company Value: An Empirical Study of Banking Companies on the Indonesian Stock Exchange for the Period 2022–2025

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Abstract

The banking sector plays a strategic role in economic stability and increasingly faces demands for transparent sustainability practices and effective financial management. This study aims to examine the effects of environmental disclosure, social disclosure, governance disclosure, and cash holdings on company value in banking companies listed on the Indonesia Stock Exchange during 2022–2025. This study employed a quantitative explanatory approach using secondary data obtained from annual reports, sustainability reports, financial statements, the Indonesia Stock Exchange, and company websites. The population comprised 48 banking companies, with samples selected through purposive sampling. Data were analyzed using multiple linear regression and hypothesis testing at a 5% significance level. The results show that environmental disclosure has a negative but insignificant effect on company value, while social disclosure has a positive and significant effect. Governance disclosure has a negative and significant effect, whereas cash holdings have a negative but insignificant effect on company value. These findings indicate that social disclosure is the most responsive sustainability dimension in strengthening investor confidence and market valuation. In conclusion, company value in the banking sector is influenced differently by ESG disclosure dimensions, while cash holdings alone do not significantly determine market value across Indonesia's banking industry as a whole.

INTRODUCTION

The banking sector has a strategic role in the economy because it functions as an intermediary institution that collects funds from the public and redistributes them in the form of credit and financing. This role makes the banking industry one of the sectors that affects economic stability. In addition, the characteristics of the banking industry that are highly dependent on public trust cause banking companies to be required to maintain performance, implement good governance, and increase company value as an indicator of investor confidence in the company's future prospects (OJK, 2025; Kasmir, 2019).

In the development of the modern capital market, investors no longer only consider financial information in making investment decisions, but also begin to pay attention to non-financial information that reflects the sustainability and quality of the company's management. The change in investor perspective shows that companies need to provide broader information about business strategy, risk management, social responsibility, and commitment to sustainability. Information on Environmental, Social, and Governance (ESG) aspects is one of the factors that is increasingly being considered because it can provide an overview of the company's ability to face long-term risks and create sustainable value for shareholders (Parikh et al., 2023; Limarwati et al., 2024).

Although the number of capital market investors continues to increase, this condition has not been fully followed by an increase in the value of companies, especially in the banking sector. The phenomenon of declining company value can be seen in several banks with the largest market capitalization on the Indonesia Stock Exchange during the 2022–2025 period.

Furthermore, BBRI's company value decreased from 1.15 to 1.10 in the 2024-2025 period, while BMRI decreased from 1.12 to 0.90 in the 2024-2025 period. This phenomenon shows that the increasing number of investors does not directly lead to an increase in the value of the company. Investors in assessing the company not only look at the level of profits obtained, but also consider various other factors that can describe the company's prospects, such as the quality of governance, transparency of information, risk management ability, and the sustainability of the company. Therefore, a study of factors that can affect the value of the company, both from the non-financial and financial aspects, is needed.

Company value is one of the indicators that reflects the level of investor confidence in the company's prospects and performance. The higher the value of the company, the higher the market assessment of the company's ability to generate profits and maintain the sustainability of its business. In this study, the value of a company was measured using the Tobin's Q ratio which compares the market value of the company with the value of the assets owned by the company (Christy & Sofie, 2023; Mudzakir & Pangestuti, 2023).

Based on signaling theory, information submitted by the company to external parties can be a signal for investors in assessing the quality and prospects of the company. Transparent and relevant information can reduce uncertainty and information asymmetry between companies and investors, thus influencing investment decisions and company value (Ghozali, 2020). In the context of this study, ESG disclosure and information about the company's financial condition through cash holding policies are a form of information that can provide signals to investors regarding the quality of the company's management.

In addition, Stakeholder Theory explains that the company is not only responsible to shareholders, but also to all parties who have an interest in the company. The implementation of sustainability practices and good governance shows the company's ability to meet the expectations of stakeholders so that it can increase the company's legitimacy and reputation (Ghozali, 2020). Therefore, ESG disclosure is one of the increasingly relevant factors in explaining how companies create value in the long term.

One of the non-financial factors that investors are increasingly paying attention to in assessing companies is environmental, social, and governance (ESG) disclosure. ESG disclosure is a form of corporate transparency in conveying information about activities and policies related to environmental, social, and corporate governance aspects. This information provides investors with an overview of how companies manage sustainability risks, carry out social responsibility, and implement good governance in carrying out their business activities (Limarwati et al., 2024).

The increased attention to ESG occurs as investors increasingly consider the sustainability of companies in making investment decisions. Companies with good ESG performance are considered to have greater ability to manage non-financial risks, maintain reputations, and build better relationships with stakeholders. These conditions can provide a positive signal to the market because it shows that the company is not only oriented towards achieving short-term profits, but also has a strategy to create value in the long term (Parikh et al., 2023; Rohendi et al., 2024).

The implementation of ESG is also growing along with the encouragement of regulators towards sustainability practices. The Financial Services Authority (OJK) through OJK Regulation Number 51/POJK.03/2017 encourages financial service institutions, issuers, and public companies to apply sustainable finance principles and prepare sustainability reports as a form of transparency of non-financial information to the public (OJK, 2021). The regulation shows that the sustainability aspect has become an important part of modern corporate governance practices.

In the banking sector, the implementation of ESG has a more complex role than other sectors. Banks are not only responsible for internal operational activities, but also have influence through financing decisions given to certain sectors of the economy. Credit and investment activities carried out by banks can have an impact on the environment and society. Therefore, the implementation of ESG in the banking sector is not only related to the company's reputation, but also related to the bank's ability to manage sustainability risks and maintain public trust (OJK, 2025).

The urgency of implementing ESG in the Indonesian banking industry can also be seen from the results of sustainability evaluations conducted by regulators and independent institutions. Through the Banking Sustainability Maturity Assessment (SMART), OJK shows that the implementation of sustainability in the banking sector continues to develop, but still needs strengthening, especially in the integration of sustainability aspects into business strategies, risk management, governance, and the quality of sustainability information disclosure (OJK, 2025).

In addition, based on the results of the Katadata Environmental, Social, and Governance Index (KESGI) assessment in 2025, Indonesia's banking sector obtained a median ESG score of 47.64 on a scale of 0–100. The assessment was carried out on banking companies that have issued sustainability reports until June 2025. These results show that ESG implementation in the banking sector is still at a medium level and is not fully optimal. Based on its dimensions, the environmental aspect obtained a median score of 59.41, the social aspect of 58.16, and the governance aspect of 55.57 (Ridwan, 2025). This condition shows that there is still room for banking companies to improve the quality of ESG implementation and disclosure.

Based on these conditions, this study does not use ESG as an overall indicator, but separates ESG disclosure into three dimensions, namely environmental disclosure, social disclosure, and governance disclosure. This separation is carried out because each ESG dimension has different characteristics and mechanisms of influence on investor perception and company value.

Environmental disclosure is related to the company's openness to policies and activities related to the environment, such as climate change risk management, energy efficiency, environmental impact reduction, and support for sustainable financing. For the banking sector, the environmental aspect is important because banks have a role in encouraging sustainable economic activities through green financing policies. Good environmental disclosure can signal that the company is committed to sustainability and is able to manage environmental risks that can affect business sustainability (Rohendi et al., 2024).

Furthermore, social disclosure relates to the company's responsibility to society, customers, and employees. In the banking industry, the social aspect has an important role because the bank's operational activities are highly dependent on the level of public trust. Disclosures regarding consumer protection, customer data security, financial inclusion, human resource development, and relationships with the public can strengthen a company's legitimacy and reduce reputational risks (Asrianingtyas et al., 2025).

Meanwhile, governance disclosure is related to the disclosure of information regarding the corporate governance structure, effectiveness of the board of commissioners, audit committee, risk management, compliance, and anti-corruption policies. The governance aspect is very important for the banking sector because this industry has a high level of regulation and is highly dependent on public trust. Good governance can reduce conflicts of interest between management and shareholders and increase investor confidence in the quality of company management (Christy & Sofie, 2023; Hardiningsih et al., 2024).

In addition to considering sustainability aspects, investors also pay attention to the company's financial condition in assessing the company's prospects and stability. One of the financial aspects that has an important role in the banking industry is the company's ability to maintain liquidity. Liquidity indicates the company's ability to meet short-term obligations and maintain operational continuity. For the banking sector, liquidity management is becoming increasingly important because the bank's operational activities are highly dependent on public trust and the bank's ability to meet the needs of customers' funds.

Based on the 2025 Indonesian Banking Booklet published by the Financial Services Authority (OJK), the condition of the Indonesian banking industry still shows a good level of resilience despite facing various global and domestic economic uncertainties. Until June 2025, banking loans grew by 7.77% (year on year) to IDR 8,059.79 trillion, while Third Party Funds (DPK) increased by 6.96% (year on year) to IDR 9,329 trillion. In terms of liquidity, banking conditions remained adequate as indicated by the ratio of liquid instruments to Non-Core Deposits (AL/NCD) of 118.78% and liquid instruments to Third Party Funds (AL/DPK) of 27.05%, which was above the minimum limit set by the regulator. In addition, the level of banking capital also remains strong with a Capital Adequacy Ratio (CAR) ratio of 25.81% (OJK, 2025). This condition shows that the bank's ability to manage liquidity is one of the important factors in maintaining business stability and sustainability.

One of the company's decisions related to liquidity management is the cash holding policy. Cash holding is a company's decision to determine the amount of cash and cash equivalents that are retained to meet operational needs, face uncertainty, and maintain the company's financial flexibility (Ahmed & Khalaf, 2025). The existence of an optimal amount of cash provides the ability for companies to meet short-term obligations, deal with unforeseen economic conditions, and take advantage of emerging investment opportunities.

From an investor's perspective, the cash holding rate can be one of the pieces of information that describes the company's financial condition and strategy. An adequate cash level can provide a positive signal because it shows the company's ability to face risks and maintain operational stability. However, a cash level that is too high can also cause a negative perception because it can indicate that funds are not being used optimally. Therefore, decisions regarding the level of cash holding are important aspects that can affect market perception of company value (Halim, 2022; Putra et al., 2023).

In the banking sector, cash holding policies have different characteristics compared to the non-financial sector. Banks must maintain a balance between the availability of liquidity to meet obligations to customers and the effectiveness of the use of funds in intermediation activities. Cash that is too low can increase liquidity risk, while cash that is too high can reduce the efficiency of asset use. Therefore, optimal cash holding management is an important part of the financial management strategy of banking companies (Arifah & Africa, 2025).

In addition to being influenced by financial factors, cash holding policies can also be related to the company's sustainability practices. Good ESG implementation can increase company transparency, reduce information uncertainty, strengthen reputation, and increase investor and creditor trust. These conditions can affect the company's ability to obtain external funding, resulting in an impact on the company's decision to determine the level of cash to be maintained.

Ahmed and Khalaf (2025) explain that ESG is related to company value through the role of cash holding. Companies with good ESG quality tend to have a higher level of trust from investors and stakeholders so they have better financial flexibility. However, on the other hand, companies with a high sustainability commitment can also retain more cash to support long-term investments related to ESG programs. This suggests that the relationship between ESG and cash holding can be an important mechanism in explaining how companies create value.

Thus, ESG disclosure and cash holding are two interrelated aspects in influencing company value. ESG disclosure provides information on the quality of the company's management, responsibility to stakeholders, and the company's ability to manage sustainability risks. Meanwhile, cash holding reflects a company's ability to maintain financial flexibility and deal with uncertainty. The combination of sustainability transparency and optimal cash management can give investors a positive signal regarding the company's future prospects (Ahmed & Khalaf, 2025; Rohendi et al., 2024).

The results of previous research on the influence of ESG disclosure and cash holding the company's value still shows inconsistency. Luthfiana et al. (2025), found that environmental disclosure and social disclosure does not have a significant effect on the company's value, while governance disclosure has a significant negative effect on the company's value. However, different results were found by Hardiningsih et al. (2024), states that environmental disclosure and governance disclosure has a significant positive effect on the company's value, while social disclosure does not have a significant effect on the company's value. In addition, Ahmed & Khalaf, (2025), found that cash holding has a significant positive effect on the company's value. While Lestari & Indah, (2024), found that cash holding has no effect on the company's value. The difference in the results of the study shows that the relationship between environmental disclosure, social disclosure, governance disclosure, cash holding, and the company's value still does not show consistent conclusions.

Based on this description, this research was carried out by considering several reasons. First, the banking sector has special characteristics because it has a high level of regulation, depends on public trust, and has an important role in economic stability. Second, increasing investor attention to sustainability makes ESG disclosure an important factor in assessing company quality. Third, cash holding management is an important aspect for banks because it is related to the company's ability to maintain liquidity and face risks.

Based on a review of the literature, most previous studies used corporate objects from different sectors or observation periods. Research that specifically tests banking companies for the 2022–2025 period is still relatively limited. Therefore, this study was conducted to examine the influence of environmental disclosure, social disclosure, governance disclosure, and cash holding on company value. The novelty of this research lies in the focus of research on banking companies listed on the Indonesia Stock Exchange for the period 2022–2025.

METHOD

This study employed a quantitative research approach with an explanatory design to examine the effects of environmental disclosure, social disclosure, governance disclosure, and cash holdings on company value. The research population consisted of 48 banking companies listed on the Indonesia Stock Exchange (IDX) during the 2022–2025 period. The sample was selected using a purposive sampling technique, in which companies were chosen based on their conformity with the research requirements and the availability of the data needed to measure all research variables. The final sample therefore consisted of banking companies that met the predetermined sampling criteria throughout the observation period, while the exact number of sampled companies and firm-year observations should be reported after the purposive sampling process has been completed. The study used secondary panel data, obtained primarily from annual reports, sustainability reports, financial statements, and other publicly available corporate information published through the official IDX website and the respective companies' official websites.

The research instrument was a documentation and data-recording sheet developed according to the operational definitions and measurement indicators of each variable. Environmental disclosure, social disclosure, and governance disclosure were assessed based on the relevant disclosure information presented in corporate sustainability and annual reports, while cash holdings were measured using financial information reported by each company. Company value, as the dependent variable, was measured using Tobin's Q, consistent with the measurement applied in the study. Because the research relied on archival and secondary quantitative data rather than perceptual questionnaire responses, conventional questionnaire-based validity and reliability tests such as item validity and Cronbach's alpha were not applicable. Instead, measurement validity was maintained by applying consistent operational definitions, indicators, and calculation procedures across all sampled companies and observation years, while data reliability was supported by the use of audited financial statements and officially published corporate reports. Data were collected through a documentation technique, beginning with the identification of eligible banking companies, collection of annual and sustainability reports for 2022–2025, extraction and coding of the required ESG disclosure and financial data, calculation of each variable, and compilation of the final dataset for statistical analysis.

The collected data were analyzed using descriptive statistics and multiple linear regression analysis with IBM SPSS Statistics [insert the actual version used]. Descriptive statistics were employed to summarize the characteristics and distribution of environmental disclosure, social disclosure, governance disclosure, cash holdings, and company value. Prior to hypothesis testing, the dataset should be evaluated through the appropriate classical assumption tests for multiple linear regression, including normality, multicollinearity, heteroscedasticity, and autocorrelation tests, where applicable. Subsequently, multiple linear regression was conducted to estimate the partial effects of environmental disclosure, social disclosure, governance disclosure, and cash holdings on company value. Hypotheses were evaluated using the t-test at a 5% significance level ($\alpha = 0.05$), while the coefficient of determination (R^2) was used to assess the explanatory ability of the independent variables toward company value. The regression results were then interpreted by considering the direction of the regression coefficients, statistical significance, relevant theoretical perspectives, and findings from previous empirical studies.

RESULTS AND DISCUSSION

After multiple linear regression analysis of independent variables or independent variables, namely environmental disclosure, social disclosure, governance disclosure, and cash holding, the following discussions were produced:

1) The Effect of Environmental Disclosure on Company Value

Based on the results of the environmental disclosure variable, it has a significance value of 0.335, which is above the specified significance level (0.335 > 0.05). Meanwhile, the value of the regression coefficient shows the direction of the relationship of -0.202. The results of the t-test showed a calculated t-value of -0.971, which was smaller than the table t-value of 2.001 (0.971 < 2.001). Therefore, it can be concluded that environmental disclosure has a negative but not significant effect on the company's value in banking companies for the 2022-2025 period. The results of this study are not in accordance with the hypothesis that environmental disclosure has a positive effect on the company's value, so H_1 is rejected.

The results of this study are in line with Christy & Sofie, (2023) and Luthfiana et al. (2025), which states that environmental disclosure It does not have a significant effect on the company's NIAI because the environmental information submitted by the company is still not the main concern of investors in assessing the company. This condition can occur due to non-uniform reporting standards, the quality of information disclosed is still different, and the implementation of regulations that have not run optimally.

Therefore, the results of this study are not in accordance with the stakeholder theory, which says that companies have a responsibility to meet the information needs of various interested parties, including through the disclosure of environmental information. However, in this study, this information has not been the main consideration of investors in assessing the company, so its influence on the company's value is still limited.

On the other hand, this research is also not in line with signal theory, which says companies can give positive signals to investors through the disclosure of environmental information as a form of transparency and commitment to sustainability. These signals should increase investor confidence and have an impact on increasing the company's value. So, the results of the study show that the market does not respond significantly to the environmental information disclosed by the company, so its effect on the company's value is insignificant.

In contrast to the results of the study Alauddin et al. (2024) and Salmah & Afriyenti, (2025), which indicates that environmental disclosure has a positive and significant effect on the company's value because broader environmental disclosure can increase investor confidence and reflect the company's commitment to sustainability, thus impacting the company's value increase.

It can be concluded that environmental disclosures carried out by banking companies have not been able to increase the value of the company. Investors in the banking sector tend to pay more attention to financial performance than information about the environment because the operational activities of banking companies are not directly related to environmental damage such as the manufacturing or mining sectors. As a result, environmental disclosure has not been a major factor in increasing investor interest in the company.

2) The Influence of Social Disclosure on Company Value

Based on the results of the social disclosure variable, it has a significance value of 0.025, which is above the specified significance level (0.025 < 0.05). Meanwhile, the value of the regression coefficient shows the direction of the relationship of 0.442. The results of the t-statistical test showed a calculated t-value of 2.292, which was greater than the table t-value of 2.001 (2.292 > 2.001). Therefore, it can be concluded that social disclosure has a positive and significant effect on the company's value in banking companies for the 2022-2025 period. Therefore, the results of this study are in accordance with the hypothesis that social disclosure has a positive effect on the company's value so that H_2 is accepted.

These findings are in line with research conducted Mudzakir & Pangestuti (2023) and Salmah & Afriyenti (2025), states that social disclosure has a positive and significant effect on the company's value because broader disclosure of social information can increase investor confidence and strengthen the company's reputation. This information is a positive signal that the company has a commitment to social responsibility and business sustainability. The better the social disclosure carried out, the more positive the investor's assessment of the company so that the company's value increases.

The results of this study are in line with the signaling theory which explains that companies provide positive signals to the market through the disclosure of social information. The disclosure reflects the company's commitment to social responsibility, transparency, and business sustainability. These positive signals increase investor confidence, improve the company's image, and encourage an increase in demand for shares which can ultimately increase the company's value.

On the other hand, this research is in line with stakeholder theory because it proves that the value of banking companies is not only determined by financial performance, but also by its ability to meet the interests of all stakeholders such as customers, the community, and the government. Through transparent social disclosure, banks are able to build legitimacy, improve reputation, and mitigate non-financial risks. This provides a sense of security for investors as key stakeholders in the capital market regarding the sustainability of the bank's business, thus encouraging them to provide a higher market valuation which ultimately increases the value of the company.

In contrast to the results of the research conducted SquirrelSquirt et al. (2024) and Luthfiana et al. (2025), states that social disclosure It does not have a significant effect on the company's value because most investors consider that the social activities carried out by the company can instead increase the cost burden that can affect the decline in the company's value.

It can be concluded that social disclosure has a positive and significant effect on the company's value in banking companies for the 2022–2025 period. These results show that broader social information disclosure is able to increase investor confidence because it reflects the company's commitment to social responsibility, transparency, and business sustainability. The better the social disclosure carried out by the company, the more positive the investor assessment of the company so that it can increase the company's value. These findings support the signal theory that the social information disclosed by a company can be a positive signal for investors in assessing the company's future prospects.

3) The Influence of Governance Disclosure on Company Value

Based on the results of the regression test, the governance disclosure variable has a significance value of 0.001, which is above the specified significance level (0.001 < 0.05). Meanwhile, the value of the regression coefficient shows the direction of the relationship of -0.819. The results of the t-statistical test showed a calculated t-value of -3.535, which was greater than the table t-value of 2.001 (3.535 > 2.001). Therefore, it is concluded that governance disclosure (X3) has a negative and significant effect on the company's value in banking companies for the 2022-2025 period. The results of this study are not in accordance with the hypothesis that governance disclosure has a positive effect on the company's value so that H_3 is rejected.

These negative influences can occur because the wider disclosure of corporate governance is not always responded positively by investors. In the 2022-2025 period, banking investors tend to pay more attention to financial performance, profitability, and growth prospects than the governance information disclosed by the company. On the other hand, more detailed governance disclosures can reveal various risks, weaknesses, or compliance costs that companies must bear, thus creating an unfavorable perception in the eyes of investors and having an impact on the decline in the value of the company.

This research is in line with Alauddin et al. (2024) and Luthfiana et al. (2025), states that governance disclosure has a negative and significant effect on the company's value because investors focus more on the company's financial performance and ability to generate profits than the governance information disclosed. On the other hand, more detailed disclosure of governance can make investors more aware of the risks, complexities, and management costs that companies must bear, thus having an impact on reducing investors' assessment of the company's value.

The results of this study are not in line with the stakeholder theory that good governance disclosure can increase stakeholder trust and create value for the company. On the other hand, these results also do not support the theory of signals, because the governance information disclosed by the company is not able to be a positive signal that increases investor confidence and the value of the company. Instead, the market reacted negatively to the disclosure so that the company's value declined.

So this research is not in line with Christy & Sofie, (2023), Hardiningsih et al. (2024) and Salmah & Afriyenti, (2025), states that governance disclosure has a positive and significant effect on the company's value. These results show that the disclosure of good governance can increase corporate transparency and accountability, thereby fostering investor trust. The more complete the governance information disclosed, the greater the confidence of investors that the company is professionally managed and able to minimize risks, thereby increasing investment interest and having an impact on increasing the value of the company.

It can be concluded that governance disclosure has a negative and significant effect on the company's value in banking companies for the 2022–2025 period. These results show that the wider corporate governance disclosures are not always responded positively by investors. Investors tend to pay more attention to the company's financial performance, profitability, and growth prospects than the governance information disclosed. In addition, more detailed governance disclosures can increase investors' attention to the risks, complexities, and compliance costs that companies must bear, resulting in a decline in the value of the company.

4) The Effect of Cash Holding on Company Value

Based on the results of the regression test, the cash holding variable has a significance value of 0.730, which is above the specified significance level (0.730 > 0.05). Meanwhile, the value of the regression coefficient shows the direction of the relationship of -0.308. The results of the t-statistical test showed a calculated t-value of -0.347, which was smaller than the table t-value of 2.001 (0.347 < 2.001). Therefore, it can be concluded that cash holding (X4) has a negative but not significant effect on the company's value in banking companies for the 2022-2025 period. The results of this study are not in accordance with the hypothesis that cash holding has a positive effect on the value of the company so that H_4 is rejected.

These results show that investors are not only paying attention to the amount of cash the company has, but also how the cash is managed and utilized to improve the company's performance. In the banking sector, a high level of cash holding is generally considered a necessity to maintain liquidity and support company operations. Thus, the amount of cash holding is not always the main consideration of investors in valuing the company, so its effect on the company's value is not significant.

These findings are in line with Arifah & Africa, (2025) and Lestari & Indah, (2024), states that cash holding It does not affect the company's value because the amount of cash owned by the company is not the main factor that investors consider in valuing the company. Investors tend to pay more attention to the company's ability to generate profits, growth prospects, and overall financial performance. On the other hand, high cash does not necessarily provide benefits for the company if it is not used effectively to support operational activities and investments that can increase the company's value.

The results of this study are not in line with the agency's theory because it explains that optimal cash ownership can reduce conflicts between management and shareholders and increase the value of the company. On the other hand, these results also do not support the signal theory because the amount of cash the company has is not considered a strong enough positive signal by investors to increase the value of the company. Thus, information about cash holding has not yet become the main factor influencing investment decisions in banking companies for the 2022-2025 period.

In contrast to the results of the research conducted by Ahmed & Khalaf, (2025) dan Al-najjar & Sarhan, (2024), states that cash holding has a positive and significant effect on the company's value because high cash can provide financial flexibility for the company to meet operational needs and take advantage of investment opportunities, thereby increasing investor confidence and company value.

It can be concluded that the size of cash holding has not been able to affect the value of the company. This shows that investors are not only paying attention to the amount of cash the company has, but also the effectiveness of its utilization. If cash funds have not been used optimally to support operations, investment, or business development, then the existence of cash has not been able to increase the company's value.

CONCLUSION

Based on the study results, environmental disclosure has a negative but statistically insignificant effect on company value, social disclosure has a positive and significant effect, governance disclosure has a negative and significant effect, and cash holdings have a negative but statistically insignificant effect on the value of banking companies listed on the Indonesia Stock Exchange during the 2022–2025 period. These findings indicate that investors in the banking sector do not necessarily respond uniformly to all sustainability and financial disclosures. Social disclosure appears to be the ESG dimension most capable of strengthening company value because information concerning social responsibility, stakeholder relationships, transparency, and business sustainability can enhance investor confidence and corporate reputation. In contrast, environmental disclosure has not become a major determinant of banking company value, while broader governance disclosure may be perceived by investors as revealing additional risks, complexities, and compliance costs. Similarly, the level of cash holdings alone is insufficient to increase company value because investors may place greater emphasis on how efficiently available cash is utilized to support operations, investments, and future growth. Future research is recommended to extend the observation period and broaden the research sample beyond banking companies to include other financial and non-financial sectors so that the consistency of the relationships among environmental, social, and governance disclosure, cash holdings, and company value can be examined across different industry characteristics. Future studies may also incorporate additional variables that potentially influence company value, such as profitability, liquidity, leverage, company size, growth opportunities, risk management, or other financial and governance characteristics, and may examine mediating or moderating mechanisms to provide a more comprehensive explanation of how ESG disclosure affects market valuation. In addition, subsequent researchers could employ panel-data regression or other advanced analytical approaches to account more explicitly for differences across companies and years. These recommendations are proposed as directions for future research based on the scope and findings of the present study rather than as conclusions directly stated in the manuscript.

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