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The Influence of Environmental, Social, and Governance on Company Value through Financial Performance in Coal Mining Listed on the Indonesia Stock Exchange

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A B S T R A C T

This study examines the impact of ESG implementation on company value, both directly and indirectly through financial performance mediation. The secondary data used includes financial statements, annual reports, and Sustainability Reports from coal mining companies listed on the Indonesia Stock Exchange (IDX) for the 2022-2024 period. Sample selection uses the Purposive Sampling technique with ESG reporting consistency criteria based on GRI standards, with data analysis carried out through the SMARTPLS application. The results of the analysis indicate that ESG implementation has a positive and significant impact on financial performance, but the direct impact of ESG on the company's value is still not significant. These findings highlight the urgency of improving ESG quality and practices to strengthen investor confidence.

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INTRODUCTION

Economic conditions in the era of globalization and increasingly advanced market dynamics, companies today can no longer only pursue financial profits, but also must pay attention to sustainability aspects that include environmental, social, and corporate governance, known as ESG. ESG has become a new standard to measure a company's performance and reputation in the eyes of investors and stakeholders. These three pillars are the main focus in assessing the company's sustainability and value.

Indonesia has committed to and agreed on sustainable development goals to end poverty, combat inequality and mitigate corporate impact. Companies that have implemented ESG describe a commitment to more responsible and sustainable economic growth (Wulandari & Istiqomah, 2024). Companies that have been indexed by ESG tend to have high company values. In openness to reporting ESG performance plays an important role in helping to improve a company's reputation through transparency (Pratiwi et al., 2024).

The value of a company is often measured by the stock price and Tobin's Q as an indicator of long-term investment attractiveness. Research on existing coal mining companies on the IDX from 2022 to 2024 using the ESG index based on GRI reporting standards and company value measurement stated that ESG has a good impact on the company's reputation, although in some studies the impact is not so significant in statistical calculations (Pratiwi et al., 2024).

PT Adaro is one of the mining companies with a large coal subsector on the IDX and has strong relevance in the context of the implementation and impact of ESG practices on company value and performance on mining company finances. Based on data from PT Adaro Energy Tbk, the movement of ADRO shares during the 2022-2024 period shows very high valotility, where the price rose rapidly from 1,000 in early 2020 to 4,000 in 2022, but there was a decrease to 1,675 in September 2024 or as much as 58%. This describes a change in the valuation of coal mining companies (Financial, IDN, 2025)..

According to (Sany, S., and. al. 2024) which examines the impact of ESG performance and Financial Distress on the reputation of IDX mining companies from 2022 to 2024. The researcher uses the Tobin's Q indicator to measure the value of ESG companies from the Index based on GRI. Producing an ESG performance that has a good but not significant impact on the company's reputation. While Financial Distress impactful and correct.

Some researchers in the mining sector of the coal subsector often report a statistically insignificant impact, or even ESG only has a good impact on financial performance without a significant impact on the company's value. This gap is relevant considering highly volatile market conditions, as illustrated by the significant decline in stock prices of coal companies on the IDX. This raises the basic question of how ESG in the midst of market uncertainty and diverse research results, can actually create value for shareholders. Therefore, the scientific urgency of this research lies in testing indirect mechanisms (mediation). The novelty of this study is to test the role of performance in finance as an intervening variable to bridge the relationship between Environmental, Social, and Governance and value in companies, especially in coal mining which has significant environmental effects on society.

Based on the above background description, this study formulated a number of research questions as follows: 1) Does Environmental practice have a significant impact on the value of coal mining companies on the IDX? 2) Does Social practices have a significant impact on the value of coal mining companies on the IDX? 3) Do Governance practices have a significant impact on the value of coal mining companies on the IDX? 4) Do Environmental has a significant impact on the financial performance of coal mining on the IDX? 5) Does Social practice have a significant impact on the financial performance of coal mining on the IDX? 6) Does the practice of Governance have a significant impact on the financial performance of coal mining on the IDX? 7) Does Environmental practice have a significant impact on the financial performance of coal mining on the IDX?has a significant impact on the company's value through the financial performance of coal mining on the IDX? 8) Does Social practice have a significant impact on the company's value through the financial performance of coal mining on the IDX? 9) Does the Governance practice have a significant impact on the company's value through the financial performance of coal mining on the IDX?

The purpose of the formulation of the problem is to test and analyze the significant impact of ESG on company value through the performance of the financial performance of coal mining companies on the IDX. This research contributes to the development of theories related to the relationship between ESG practices and corporate financial performance, especially in the context of the coal mining industry. The results of this research can strengthen the company's financial value and performance. so that it can expand the academic literature and become the basis for further research. The practical benefits for organizations and policymakers can also be a basis for designing policies and costs that provide support for social responsibility and positive governance in coal mining. As well as academic benefits, which are used as a resource for students and researchers in conducting similar studies, as well as encouraging the development of more comprehensive research in the field of corporate sustainability.

THEORETICAL REVIEW

Management Accounting

Management accounting is a process of identifying, measuring, accumulating, compiling, analyzing, interpreting, and communicating about an event in the economy that is used by management to make a plan, control, make a decision, and value the company's performance (Machmud, et al. 2024). This definition has two main essences, namely the provision of information by management accountants and the utilization of managers from the bottom to the top level.

Sustainability Accounting

Sustainability accounting is an integrated system for financial measurement from social, environmental and economic aspects. Sustainability accounting collects, records, processes, analyzes, and reports information related to an aspect of the economic, environmental and social aspects of a business, with the aim of improving the balance sheet of the company (Machmud, et al. 2024).. Thus, sustainability accounting helps companies in achieving sustainability goals, which is to maintain balance in the long term.

Stakeholder

According to (Wang, 2024) in the context of ESG, *Stakeholder* explain how sustainability practices can impact financial performance. *Stakeholder* demonstrate that by demonstrating strong ESG performance, companies can gain support by *Squirrel* external and internal. According to Fu and Li (2023) *Squirrel*, the company that manages the related to the whole *stakeholder theory* Effectively it tends to achieve success, because the theory suggests that companies should be responsible not only to shareholders but also to creditors, employees, suppliers, and customers.

Environmental, Social, Governance

The environmental dimension includes an evaluation of the organization's overall impact on the environment, along with the risks and opportunities that arise from environmental issues such as climate change, as well as efforts to protect natural resources (Gilis, et al. 2024). Disclosure *environmental* It is increasingly important due to the increasing demand for information *environmental* by *Squirrel*. According to Arviani (2022) *Social* It is a discussion about the company's commitment to managing relationships and their impact on society, communities, and so on. *Governance* or corporate governance is a framework where the company is guided and supervised to generate value for stakeholders. The environment focuses on a good corporate governance mechanism, accountable and able to be maintained in the long term (Arviani, 2022).

Financial Performance

The financial performance of the organization is an indicator of success in optimizing monetary assets to achieve its goals and create added value for shareholders (Irham, 2020). From these financial achievements, the mampy organization assesses the level of proficiency and operational success in a specific time span. Financial performance also serves as a consideration for financiers or interested parties when deciding to invest in the organization.

Company Values

Company valuation reflects the view of investors to know the level of success of an organization which is often associated with stock prices(Qori'ah, 2019). For investors, company valuation is a crucial variable because it describes the achievement of business performance and is able to maximize the welfare of capital owners, the higher the share price, the greater the company's valuation.

H1: Environmental impact on company value

Impact *Environmental* The value of a coal mining company means the company's efforts or performance in managing and preserving the environment such as waste management, emission reduction, reclamation, and energy saving that affect the assessment of the peurshaaan in the eyes of investors, the public, and the capital market. Research (Safitri et al., 2025) analyzing the impact of environmental performance on the value of coal mining companies listed on the IDX for the period 2022 to 2024, using GRI indicators and Tobin's Q ratio.

H2: Social Impact on Company Value
Impact aspect *Social* Value in the company means socially responsible activities, such as employee welfare empowerment programs, community, and other social contributions, which can provide increased value in the company in the eyes of investors and the market. Research (Rahmah et al., 2024) explained that social disclosure on performance measured using the G4 GRI index has a good and significant impact on the value of mining companies on the IDX for the period 2019 to 2023.

H3: The Impact of *Governance* on Company Value
Impact *Governance* The company's value is mainly related to how good governance in the company can increase investor confidence and operational stability so as to increase the company's market value. Research (Novalinda and Ridloah, 2025) shows that *Governance* which is good, has a positive impact on increasing value in the company because it strengthens the credibility of the financial statements.

H4: Environmental impact on financial performance
Variable *Environmental* which includes environmental management practices, green investment, sustainability certification, and carbon footprint management as independent variables that affect various aspects of performance in the company's finances. Financial performance as a dependent variable can be measured through ROA, ROE and NPM indicators. According to research (Andrefe & Kurniawati, 2024) shows that *environmental* has a significant positive impact on the company's financial performance.

H5: Social Impact on Financial Performance
Social in the framework of ESG has a significant impact on the financial performance of mining companies listed on the Indonesia Stock Exchange. In the context of the mining industry, social aspects include fair labor practices, occupational health and safety, industrial relations, human resource development, human rights, and relations with local communities and communities around the operating area. Research (Suciwati et al., 2016) indicates that corporate social responsibility disclosures have a positive and significant relationship to financial performance, as measured through *Return on Assets* (ROA) then *Return on Equity* (ROE).

H6: The Impact of *Governance* on Financial Performance
Governance can increase the company's credibility in the eyes of investors and stakeholders, as well as reduce financial and operational risks. According to (Bui

& Krajcsak, 2025) found that the practice *Corporate Governance* has a significant impact on financial performance as measured by ROA and ROE, with an effective board structure and independent audit committee contributing significantly to increasing profitability.

H7: Social Impact on Company Value through Corporate Financial Performance
The relationship between social enterprises, performance in finance and value in companies shows interrelated relationships that affect each other in the context of business sustainability. Social performance that includes activities *Responsibility* social enterprise, is considered to be able to improve the company's reputation in the eyes of the public and investors. According to (Prihantoro et al., 2025) shows that ROA as a performance indicator in finance has a positive impact on the company's value. In this study, it was found that although social responsibility and the proportion of independent commissions did not have a significant impact on the value of the company, ROA and liquidity had a strong positive impact.

H8: Environmental Impact on Financial Performance through Company Value
The environment in the ESG framework has a significant impact on company value through various mechanisms, especially in industries with substantial environmental impacts such as the mining sector. Financial performance acts as a mediator in connecting *environmental* with company values. Performance in finance has a positive impact on company value and performance in financial intervening on company value in the mining industry (Vershinina & Rollin, 2024).

H9: The Impact *of Governance* on Financial Performance through Company Value
Implement GCG through mechanisms such as board composition and independence, the role of the audit committee, and managerial ownership. Providing increased value to the company reflected in the PBV ratio and Tobin's Q. (Rifqiah, et al. 2020) explained that the existence of ROA has a significant impact on the company's value, while ROE does not. GCG, measured using managerial ownership, has an impact on value in the company, but not always directly.

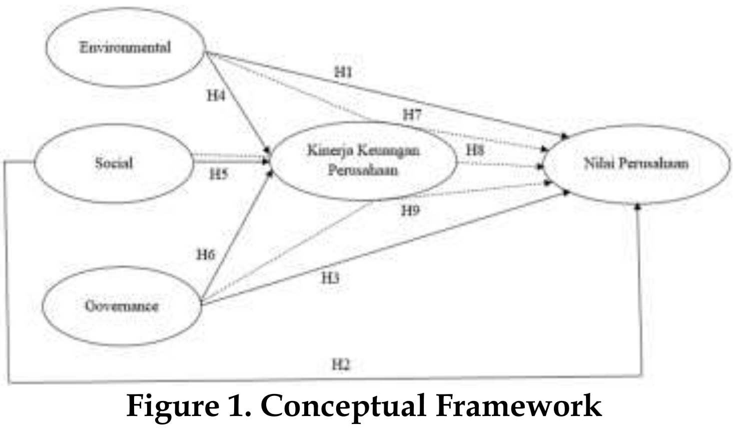

Figure 1. Conceptual Framework

METHODOLOGY

The researchers used a quantitative research method with a causal approach that aimed to investigate the cause-and-effect relationship between ESG variables and company value, with the company's financial performance as the mediating variable. The research will be carried out on coal mining companies on the IDX. The IDX is the official capital market in Indonesia by providing complete and transparent data regarding *Financial Statements*, *Sustainbaility reports* and company value information required for this research.

In a study on the influence of ESG on the company's financial performance from the value of mining companies on the IDX for the period 2022 to 2024, the type of data used is secondary data. The data is obtained mainly from the official website www.idx.co.id with the addition of the respective official website of the company to verify the accuracy and consistency of the information analyzed. The data used includes *Financial report, Annual report,* and *Financial repost,* mining issuers on the IDX.

This study determined the population of 27 coal mining companies listed on the IDX from 2022 to 2024. The sampling technique adopts *Puposive sampling,* which is a non-probability method that has respondents based on specific criteria determined by the researcher to align with the study objectives. Finally, the selected sample included 10 coal mining companies during that vulnerable time.

Table 1. Operational Research Variables

Variable	Definition	Indicator	Formula
Environmental (X1)	*Environmental* Includes the Company's ability to manage the environmental impact of its operational activities. (Hariyanto and Ghozali, 2024).	GRI 301-308	EDI $= \frac{Jumlah\ indikator\ diungkapkan}{Jumlah\ total\ indikator\ ENV}$
Social (X2)	*Social* is related to how the company interacts with employees, communities and the wider community (Fachrizal, et al. 2024).	GRI 401-418	SDI $= \frac{Jumlah\ indikator\ diungkapkan}{Jumlah\ total\ indikator\ SOC}$
Governance (X3)	*Governance* is corporate governance the process of decision-making, supervision, and accountability in a good and	Transparency, Accountability, Independence, Responsibilities, Justice	GOV $= \frac{Jumlah\ item\ pengungkapan}{Total\ item\ standar}$

	sustainable manner (Darmawan, et al. 2025).		
Financial Performance (Z)	Financial performance is a process that must be carried out by the company related to fund management so that the company's operations run smoothly and avoid risks (S&P 2021)	ROE	$ROE = \frac{laba\ bersih\ setelah\ pajak}{Ekuitas}\ x\ 100\%$
		LONG	$Return\ on\ Asssets =$ $\frac{Net\ Income}{Total\ Assets}$ x 100%
		NPM	$\text{NPM} = \frac{Laba\ bersih}{Total\ pendapatan}\ x\ 100\%$
Company Value (Y)	Company value describes the company's future prospects and is the company's main goal to maximize(Apriliyani, et al. 2019)	PBV	$\text{PBV} = \frac{Harga\ saham\ per\ lembar}{Nilai\ buku\ per\ saham}$
		Tobin's Q	$\text{Tobin's Q} = \frac{MVE + Debt}{Total\ assets}$

Source: Data processing 2025

RESULTS

This study applied an outer model to test convergence based on standardized loading factor values. The indicator is considered valid and reliable if the loading factor is more than 0.7 (Farhan, 2023). On the other hand, indicators with values below the threshold are declared invalid, so they need to be removed from the model and reprocessed the data. The results of the first phase of SEM-PLS analysis resulted in the following data modeling.

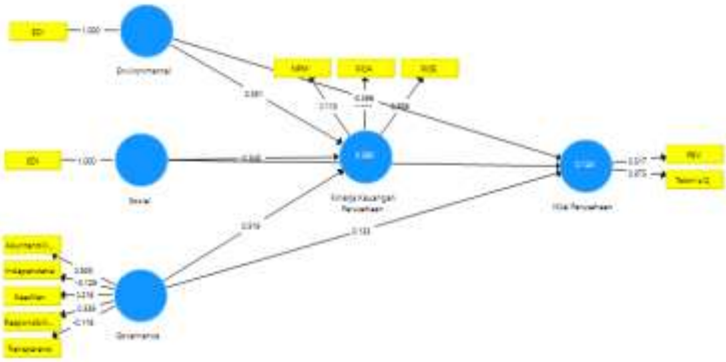

Figure 2. Alogriethm Result *Diagram of SEM PLS* phase 1

Table 2. Results of outer loading phase 1

	Environmental	Governance	Kinerja Keuang...	Nilai Perusahaan	Social
Akuntanbilitas		0.905			
EDI	1.000				
Independendensi		-0.129			
Keadilan		0.216			
NPM			0.113		
PBV				0.517	
ROA			0.939		
ROE			0.958		
Responsibilitas		0.339			
SDI					1.000
Tobin's Q				0.975	
Transparansi		-0.118			

Source: SmartPLS processed data (2025)

The results of the first phase of SEM-PLS analysis from the table above show that a number of indicators still do not meet the validity criteria. The independence indicator recorded a loading factor of -0.129, justice 0.216, NPM 0.113, PBV 0.517, responsibility 0.339, and transparency -.0118 All of these values are below 0.7.

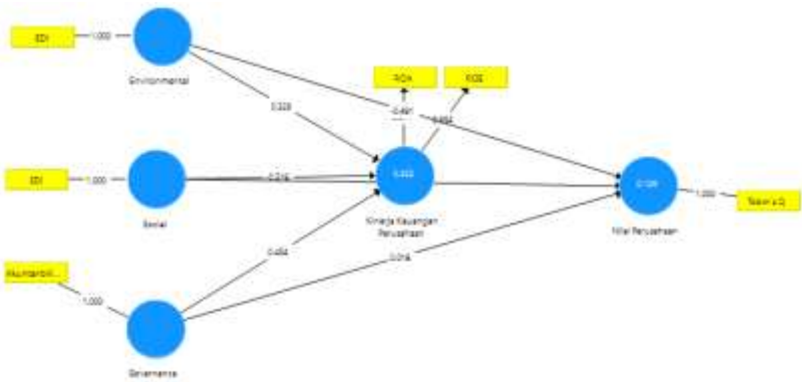

Figure 3. Results of Outer Loading Phase 2

Table 3. Results of Outer Loading Phase 2

	Environmental	Governance	Kinerja Keuang...	Nilai Perusahaan	Social
Akuntanbilitas		1.000			
EDI	1.000				
ROA			0.944		
ROE			0.954		
SDI					1.000
Tobin's Q				1.000	

Source: SmartPLS processed data (2025)

The second stage of SEM-PLS analysis describes the condition of the model after the modification or removal of the indicator. All indicators are now valid with a loading factor of more than 0.7, indicating a high level of convergent validity meeting the test criteria.

The AVE test is a measure of the convergent validity of a construct (latent variable), the value in a good AVE has a condition with a value greater than 0.5, so it can be said to be valid.

Table 4. AVE analysis test results

	Cronbach's Al...	rho_A	Composite Rel...	Average Varian...
Environmental	1.000	1.000	1.000	1.000
Governance	1.000	1.000	1.000	1.000
Kinerja Keuang...	0.890	0.896	0.948	0.901
Nilai Perusahaan	1.000	1.000	1.000	1.000
Social	1.000	1.000	1.000	1.000

Source: SmartPLS processed data (2025)

The results of data processing through SEM-PLS indicate that overall, the variables and indicators in this study achieved an AVE value of more than 0.5. This condition ensures that each construct meets the convergent validity standard.

R-Square is often referred to as the determination coefficient, which measures the proportion of variation in dependent variables that can be explained by independent variables. These values range from 0 to 1, reflecting the model's ability to capture the impact of predictors on outcomes. The following is the R-Square value obtained from the analysis.

Table 5. R-Square Test Results

	R Square
Kinerja Keuang...	0.322
Nilai Perusahaan	0.129

Source: SmartPLS processed data (2025)

The output of SEM-PLS shows an R-Square value for financial performance of 0.322, meaning that 32.2% of these variables can be explained by constructs in the research model. Meanwhile, *R-Square's* company value reached -0.129, which means that only 12.9% of the variation was captured by model predictors.

The data of this study is illustrated through descriptive statistics that summarize all information related to the study variables. The test aims to describe the characteristics of the sample data. Including minimum, maximum, average, median, and standard deviation assessments. The descriptive staspoints for each variable are presented in the following table.

Table 6. Descriptive Statistical Results

	Mean	Median	Min	Max	Standard Devia...	Excess Kurtosis	Skewness	Number of (
Akuntanbilitas	1.867	1.000		5.000	1.746	-0.306	1.244	30.
EDI	657.333	875.000	5.000	969.000	367.888	-1.101	-0.838	30.
ROA	178.267	162.000	3.000	618.000	150.183	0.918	0.966	30.
ROE	299.467	279.000	11.000	1249.000	279.549	2.989	1.485	30.
SDI	678.033	744.000	59.000	897.000	226.555	1.268	-1.329	30.
Tobin's Q	3155.333	3017.000	61.000	7815.000	2282.135	-0.545	0.639	30.

Source: SmartPLS processed data (2025)

Hypothesis testing was carried out through a bootstrapping based partial t-test, with a focus on evaluating the path coefficient to measure the significance of the influence between variables. The hypothesis decision is determined by a statistical t of more than 1.96 and a p value of less than 0.05, so H0 is rejected and h1 is accepted, indicating a significant effect of independent variables being dependent, whereas p values of more than 0.05 result in the acceptance of h0. The boottapping output and path coefficient of the research analysis are presented below.

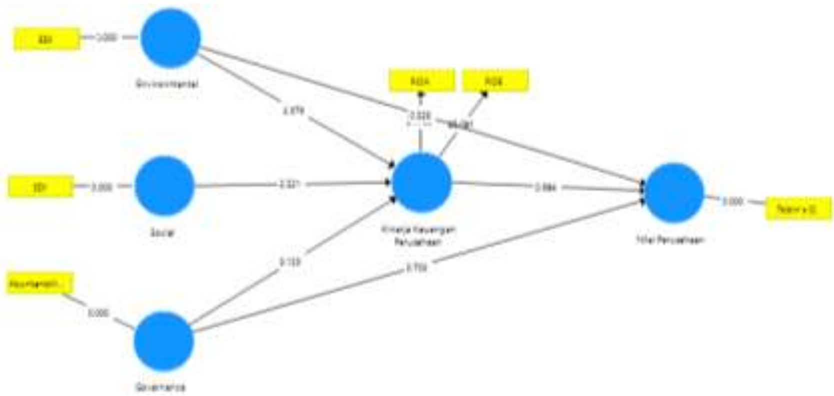

Figure 4. ***Boostrapping Results***

Table 7. *Path Coefficient*

	Original Sample (O)	Sample Mean (M)	STDEV	T statistics	P-Values	Ket
Environmental > Corporate Values	-0,460	-0,455	0,334	1,378	0,169	TS
Social > Corporate Values	0,461	0,457	0,292	1,579	0,115	TS
Governance > Corporate Values	0,035	0,020	0,216	0,163	0,870	TS
Environmental > Financial Performance	0,531	0,570	0,198	2,686	0,007	S
Social > Financial Performance	-0,515	-0,573	0,194	2,648	0,008	S
Governance > Financial Performance	0,454	0,446	0,157	2,893	0,004	S

Environmental > Financial Performance > Company Value	-0,020	-0,041	0,123	0,166	0,868	TS
Social > Financial Performance > Company Value	0,020	0,037	0,124	0,159	0,874	TS
Governance > Financial Performance > Company Value	-0,017	-0,007	0,098	0,179	0,858	TS

Source: SmartPLS processed data (2025)

1. Environmental impact on company value

Path analysis analysis showed that the social variable measured through the restricted indicator, had a t-statistic of 1.378 less than 1.96 and a p value of 0.169 more than 0.05. Statistically, the influence of social variables on the company's value is insignificant at the level of 0.05. Therefore, the h1 hypothesis that assumes a significant environmental impact on the value of the company is rejected. Supporting studies of h1 include research by (Cahyani et al., 2025), (Andrini & Cerya, 2025), (Sitinjak, 2024), (Amira & Siswanto, 2022).

2. Social Impact on Company Value

Path analysis revealed that social variables were measured through SDI, setting a statistical t of 1.579 less than 1.96 and a p value of 0.0115 more than 0.05. Thus, the social influence on the company's value is not statistically significant at 0.05, so the h2 hypothesis is rejected. Studies in support of H2 include research by (Cahyani et al., 2025), (Scott, 2025), (Prince, 2025), (Maharani, 2024), (June, 2019).

3. The Impact *of Governance* on Company Value

The path analysis path analysis showed that the governance variables measured through the indicators of transparency, accountability, responsibility, and fairness, had a static t of 0.0963 less than 1.96 and a p value of 0.9233 of more than 0.05. The effect of governance on the company's value was not statistically significant at the level of 0.05, so the H3 hypothesis was rejected. Studies supporting h3 include research by (Umbing et al., 2024), (Azis, 2016), (Hasanah, 2021), (Sanjaya, 2025), (Sembiring, 2021).

4. Environmenal *Impact* on a company's financial performance

Path analysis analysis indicated that environmental variables were measured through EDI, resulting in a statistical t value of 2.686 more than 1.96 and a p value of 0.007 less than 0.05. This statistic confirms the significant influence of the environment on financial performance statistically at 0.05 so the h4 hypothesis is accepted. The h4 study includes research by (Ramadani et al., 2025), (Aisyah et al., 2024), (Maysaroh & Murwaningsari, 2023).

5. Social Impact on the Company's Financial Performance

The path analysis analysis showed that the social variable, measured through SDI, had a t-statistic of 2.648 more than 1.96 and a p value of 0.008 less than 0.05 social influence on the performance of the economy was statistically significant at 0.05 so that the h5 hypothesis was accepted. The h5 supporting study includes research by (Wijaya, 2023), (Bayu et al., 2024), (Ayu et al., 2025).

6. *Impact of Governance* on financial performance

Path analysis analysis indicated that the governance variable, which was measured by the gcg principle, recorded a statistical t value of 2.893 more than 1.96 and a p value of 0.004 less than 0.05. The effect of governance on financial performance was statistically significant at 0.05, so the h6 hypothesis was accepted. H6 supporting studies include research by (Fahira, 2023), (Farhani, 2024).

7. Environmental impact has an impact on company value through the company's financial performance

Path analysis for mediation showed that the influence of the environment on the company's value through financial performance had a statistical t value of 0.166 less than 1.96 and a p value of 0.868 more than 0.05. This mediating effect was not statistically significant at 0.05, so the h7 hypothesis was rejected. The h7 supporting study includes research by (Aprianti et al., 2023).

8. Social Impact on Company Value through Corporate Financial Performance

Path analysis for mediation effects indicates that the social impact on the company's value through financial performance has a statistical t value of 0.159 less than 1.96 and a p value of 0.874 more than 0.05. This mediating effect was not statistically significant at 0.05 so the h8 hypothesis was rejected. The h8 supporting study includes research by (Rice, 2018), (Ramadhan & Sulistyowati, 2022).

9. The Impact *of Governance* on the Company's Value through the Company's Financial Performance

Path analysis for the effect of mediation showed that the impact of governance on the company's value through performance had a statistical t of 0.179 less than 1.96 and a p value of 0.858 more than 0.05. This mediating effect was not statistically significant at 0.05, so the h9 hypothesis was rejected. Supporting studies of h9 include research by (Darniaty et al., 2023).

DISCUSSION

Environmental impact on company value

The results indicate that the environmental variable does not provide significant evidence of good or bad evidence of the company's value, as shown by the rejection of the related hypothesis. Several previous studies support these findings. Study by (Cahyani et al., 2025) noted that in certain sectors, the disclosure of environmental aspects has not shown a positive or significant influence on the company's value, in contrast to the governance component which has been proven to make a significant contribution. (Andrini & Cerya, 2025) revealed similar findings that in Indonesia, investor attention to social issues is still relatively low, so the direct influence and mediation channels on company value are often not identical, especially when compared to governance or environmental variables. Researcher (Sitinjak, 2024) reveals that environmental disclosure often produces negative or meaningless effects on the company's valuation, because investors tend to consider the information less essential. In contrast to that, (Amira & Siswanto, 2022) Proving that there is a strong positive correlation between environmental sustainability, financial performance, and environmental accounting reporting and the level of company value. The findings of this study reinforce that the environment has no significant effect on firm value (pbv & Tobin's Q), consistent with previous literature that highlights the limited impact of environmental disclosures on firm valuations.

Social Impact on Company Value

The findings of this study conclude that social variables are not statistically significant in the value of a company, although there is an indication of influence, the empirical evidence is insufficient to inform the real effect of disclosing social aspects. Research conducted by (Cahyani et al., 2025) reinforcing this by stating that in certain sectors, DSI has not had a significant impact on firm value, in contrast to the dominance of environmental variables. Research (Scott, 2025) also found the ininfluence of ESG, especially on social elements on company valuations in Indonesia. (Prince, 2025) affirms the insignificant effects of social disclosure. In addition, research (Maharani, 2024) and (June, 2019) consistently proves that social measurement based on the GRI 400 standard fails to impact company value, either measured by PBV or Tobin's Q.

The Impact of Governance on Company Value

The findings of this study indicate that the influence of governance on the company's value is not statistically significant, meaning that the implementation of good corporate governance principles has not produced strong empirical evidence to increase firm valuation. Research (Umbing et al., 2024) Similar results were obtained that disclosure governance failed to impact the company's value. Meanwhile, (Azis, 2016) stating that there is no significant positive effect of corporate governance. Research by (Hasanah, 2021) found GCG elements such as audit committees and independent commissioners had no effect on the mining sector on the IDX. From research (Sembiring, 2021) confirming the insignificance of the indicators of public ownership and the independent board of commissioners to firm value.

Environmental impact on the company's financial performance

The findings of this study indicate a high level of significance with a low probability so that empirical testing supports the hypothesis proposed. Research (Ramadani et al., 2025) reinforcing that optimal environmental management and reporting is positively correlated with increased company profitability. Research (Aisyah et al., 2024) proving environmental disclosure significantly drove Tobin's Q as well as sales growth, although the impact on ROA was not always consistent. Overall, the company establishes sustainable and transparent practices in environmental reporting, obtaining the benefit of stakeholders such as investors and the public, which ultimately strengthens its financial performance and reputation in the capital market.

Social Impact on the Company's Financial Performance

The findings of this study confirm that the disclosure of social aspects has a positive and significant influence on the financial performance of coal mining companies. Research (Wijaya, 2023) prove a similar effect on the EPS of mining companies on the IDX. Meanwhile, (Hidayah, 2022) show a strong impact on ROA and ROEA. Research studies from (Bayu et al., 2024) found that GRI 400-based social implementation increased profitability ratios. And research from confirms its optimal role in driving net profit and profit margins.

The Impact of Governance on the Company's Financial Performance

The findings of this study confirm that corporate governance has a positive and significant influence on the financial performance of coal mining issuers. Research according to (Fahira, 2023) shows that strong GCG implementation significantly improves the financial performance of mining companies on the IDX, where high GCG levels are directly correlated with improved financial indicators. As well as from (Farhani, 2024) reinforcing this with evidence that GCG elements contribute significantly to profitability. From research (Arimby & Astuti, 2023) prove its positive effects on NPM, ROA, ROE reflecting how optimal governance management is able to optimize profitability, asset efficiency, and return on equity.

Environmental impact on company value through corporate financial performance

The findings of this study indicate that environmental disclosure in coal mining issuers has not been empirically proven to be able to increase financial performance through the mediation of company value. Research (Aprianti et al., 2023) reinforcing this by stating that financial performance does not have a significant effect on the company's valuation on the IDX, even as a mediator. Although environmental aspects are crucial for operational sustainability and regulatory compliance, the impact on the financial performance of firm value has not been fully recognized as a material factor by investors in the mining sector.

Social Impact on Company Value through Corporate Financial Performance

These findings indicate that the mechanism of social mediation through financial performance is too weak to prove empirically increasing the value of the company. Research (Rice, 2018) It is concluded through path analysis that the social influence on firm value from financial performance is not significant. As well as research (Ramadhan & Sulistyowati, 2022) confirms the insignificance of similar impacts. According to research (Saputra, 2018) found that in mining issuers with GRI social indicators, social did affect ROE insignificantly and Tobin's Q strongly, but mediation through ROE failed to work, indicating that the direct social impact was more dominant than the profitability path.

The Impact of Governance on the Company's Value through the Company's Financial Performance

The findings of this study confirm that statistically, governance fails to show a significant influence on financial performance through the mediation of corporate value in the mining sector. Research (Darniaty et al., 2023) Reinforcing these findings by stating that the implementation of governance does not affect firm value or financial performance in a real way, often only a formality of deep integration into the core business strategy. Although the GCCG principle has a direct positive effect on profitability and valuation, the mediation mechanism on PBV and Tobin's Q on coal issuers has not been proven to strengthen the relationship.

CONCLUSIONS AND RECOMMENDATIONS

Overall, these findings found that disclosure of ESG aspects has a distinct impact on value in companies through financial performance in the coal mining sector in Indonesia. Specifically, ESG has been shown to have a positive and significant impact on financial performance, indicating that sustainability practices are effectively translated into a company's profitability. However, financial performance does not succeed in mediating the relationship between *Environmental, Social* and *Governance* aspects on company value. Thus, the results make it clear that although ESG improves financial performance, investors in this sector still do not directly appreciate ESG efforts as a long-term impact on company value, especially through profitability. Therefore, the conclusion that can be followed up is that coal mining companies must further strengthen the integration of ESG aspects strategically so that the impact can be felt in real terms and perceived by the capital market as strengthening the company's value.

FURTHER STUDY

The study recognises a number of methodological and conceptual limitations, so it provides practical suggestions that can be considered by relevant stakeholders. Namely; The standardization and consistency of ESG reporting need to be strengthened so that investors and the market can provide a more objective and responsive assessment of the company's sustainability efforts, another limitation that needs to be considered is that this study uses a limited sample of 10 companies with a relatively short observation period (2022-2024). These limitations may affect the generalization of ESG findings and measurements of ESG variables based on the GRIm disclosure index that may not fully expose the company's ESG performance and practices. Follow-up research is recommended using a larger sample and longer periods, as well as testing moderation variables or other mediating variables that can amplify ESG's impact on a company's financial performance and value.

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