Green Banking Implementation and Good Corporate Governance on Company Value In Banking Companies Listed On The Indonesian Stock Exchange

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Abstract. This research aims to determine the influence of the implementation of green banking and good corporate governance on firm value. The research method employed is quantitative. Data collection involves the use of documents, specifically annual reports published by the Indonesia Stock Exchange and the official websites of the companies. The study utilizes statistical calculations with the application of Eviews. Data is collected as secondary data from the Indonesia Stock Exchange website during the period 2019-2021. The purposive sampling technique is employed, resulting in a sample of 12 banking companies with a total of 36 samples throughout the study. The analysis method involves panel data regression, and the statistical tool used is Eviews 12. Based on the research findings, it is evident that green banking and good corporate governance jointly influence firm value. However, in partial terms, green banking significantly affects firm value, while good corporate governance, represented by X1 and X2, does not have a significant impact. On the other hand, X3 significantly influences firm value.

Keywords: Green Banking; Good Corporate Governance; Firm Value
A. INTRODUCTION

The company's value reflected in its stock price signifies that the higher the stock price, the higher the company's value. A high company value can enhance prosperity for shareholders, leading them to invest their capital in the company. Company value can fluctuate, usually influenced by other information such as social and political situations, as this information can affect the policies adopted by the company.

Currently, we often hear about the concept of green banking, which is commonly known as "green banking." This concept serves as a link between the "go green" concept and banking companies. The "go green" concept has long been considered by several companies, many of which promote the implementation or adoption of "go green" practices in the near future. According to the research by Saravanselvi and Sangetha, one form of green banking involves a greater reliance on online banking rather than establishing physical branch banking. This is aimed at reducing paper usage, which, in turn, can contribute to the reduction of deforestation. However, it is considered not ideal to implement this approach at 100% because, as we can observe, it is challenging for a company, especially those in large cities, to completely reduce paper usage (Aucla 2019).

To maximize the company's value, conflicts of interest may arise between managers and shareholders. This conflict is commonly referred to as agency conflict, and it can be minimized by implementing a supervisory mechanism that aligns these interests, thus giving rise to (agency cost).

Given this situation, there are several alternatives to reduce financial reporting presentation deviations and enhance the company's value through the implementation of Good Corporate Governance (GCG) mechanisms. According to the Financial Services Authority of Indonesia (FCGI), Good Corporate Governance (GCG) is a set of regulations that govern the relationships among shareholders, company management, creditors, government entities, employees, and other stakeholders (Yilmaz 2018).

Good Corporate Governance (GCG) is a mechanism designed to direct and control a company so that its operations align with the expectations of stakeholders. The implementation of the Good Corporate Governance concept in organizing a company should consider several principles: Transparency, Accountability, Responsibility, Independence, and Fairness.

The implementation of Good Corporate Governance (GCG) has a direct impact on the company's value and also affects the extent of disclosure of a company's responsibilities to all stakeholders. There are implications for social responsibility (Soedaryono and Riduifana 2017). The application of GCG mechanisms can enhance the quality of financial reports within a company.

Based on that, the author is interested in conducting research with the title "The Effect Of Green Banking Implementation And Good Corporate Governance On Company Value In Banking Companies Listed On The Indonesia Stock Exchange (BEI)"

B. LITERATURE REVIEW

Legitimacy theory focuses on the interaction between a company and society. Legitimacy is defined as a social contract that operates between the company and society (Pramesti and Idayanti, 2019). In legitimacy theory, there is a connection with corporate social disclosure. With the existence of legitimacy theory, companies strive to improve their financial performance to gain attention from society. According to legitimacy theory, companies are encouraged to disclose their performance through annual financial reports (Permatasari and Trisnawati, 2019). To continue operating, a company must consistently demonstrate that its activities comply with existing boundaries, which can be achieved.
through disclosure in company reports so that the public can assess whether a company operates within limits or otherwise (Murdiansyah, 2021).

Legitimacy theory implies that corporate social responsibility activities are efforts related to pressures from the surrounding environment, be it political, social, or economic pressures (Rimayanti and Jubaedah, 2017). Companies seek recognition or legitimacy from investors, creditors, consumers, the government, and the community to survive (Ferdiansyah, 2017). The use of legitimacy theory aims to ensure that disclosure of corporate social responsibility receives a positive response from society, enabling the company to survive and thrive in its operational activities. Legitimacy is crucial for companies as it relates to the values or norms held by the company in interacting with the social and environmental surroundings (Kurniawati and Yaya, 2017).

If a company consistently aligns itself with the values and norms in society and anticipates a legitimacy gap, the company can survive because it is considered legitimate according to societal views in conducting its business activities (Widiyanti and Hasanah, 2017). Legitimacy theory focuses on encouraging companies to convince that their activities and performance are acceptable to society (Guntarto and Nugroho, 2020).

Stakeholder Theory

Stakeholder theory asserts that a company is not an entity that operates solely for its own interests but can provide benefits to all its stakeholders (shareholders, creditors, consumers, suppliers, government, community, analysts, and others) (Tanjung, 2021). Internal stakeholders consist of individuals who have interests in the company's resources and are within the company, namely employees, managers, and shareholders. External stakeholders, on the other hand, are beyond these three groups but have interests in the company and are influenced by the company's decisions and actions, including suppliers, consumers, the community, government, and others. The relationship between stakeholders and the company is described as an exchange relationship, where groups contribute to the company and expect their interests to be fulfilled. The general public is considered a stakeholder because they are taxpayers contributing to national infrastructure development, enabling companies to operate. In return, the public expects companies to enhance their quality of life.

Ghozali (2020) elaborates that a company's ability to survive involves adapting to stakeholder support, which the company needs to seek through its operational activities. The increasing strength of stakeholders will enhance the company's adaptation to the changing times. Stakeholders play a crucial role in determining the success of a company. The main goal is to assist company managers in understanding their stakeholder environment and managing it more effectively among the relationships within their corporate environment. This assistance aids company managers in enhancing the value of their activities' impact and minimizing losses for their stakeholders.

Through the stakeholder theory in this research, it can provide an understanding to company management regarding the enhancement of corporate value creation through activities carried out by minimizing the impact of losses for parties with interests in the company.

Agency Theory

According to Silaban and Suryani (2020), the agency theory explains the relationship between management (agent) and shareholders (stakeholders) referred to as the principal. The conflict of interest between the owner and the agent occurs because the agent may not always act in the owner's best interest, thus triggering agency costs. As an agent, managers are morally responsible for optimizing the benefits of the owners, and in return, they will receive compensation according to the contract. Thus, there are two different interests in the company where each party seeks to achieve the desired level of prosperity. Agency theory also explains information asymmetry, where managers have more information about the company than the owners (shareholders), leading to a higher tendency for managers to
manipulate through earnings management for personal gain. According to Norhadi (2007), the conflict of interest between the agent and the owner can be reduced by implementing supervisory mechanisms that align various interests within the company, such as applying Good Corporate Governance.

In understanding corporate governance issues in this research, the perspective of agency theory is employed. Agency theory is a relationship based on contracts among members within a company, specifically between the principal (owner) and the agent as the primary actor. The application of corporate governance based on agency theory can be explained by the relationship between management and owners, where management, as the agent, is morally responsible for optimizing the benefits of the owners (principal), and in return, they receive compensation according to the contract.

The agency theory encourages the emergence of the concept of Good Corporate Governance (GCG) in managing corporate business. Good Corporate Governance (GCG) is expected to minimize these issues through supervision of the agents' performance. Good Corporate Governance (GCG) provides assurance to shareholders that the invested funds are managed properly, and the agents work in accordance with their functions, responsibilities, and for the benefit of the company.

C. RESEARCH METHODOLOGY

This research is quantitative in nature. The data collection technique employed in this study is documentation, utilizing various sources such as journals, articles, theses, and other literature related to the research. Secondary data is collected in the form of annual financial reports of banking companies published on the official website of the Indonesia Stock Exchange and the official company websites during the years 2019-2021, which are the subjects of this study. The sampling technique used is purposive sampling, resulting in a sample of 13 banking companies with a total of 36 samples over the research period. The data analysis method involves panel data analysis using the statistical tool EViews Research Location

The annual financial reports of banking companies published on the official website of the Indonesia Stock Exchange and the annual financial report publications on the official company websites from the years 2019 to 2021 are the objects of the study. These reports are publicly available on the official website of the Indonesia Stock Exchange, which is www.idx.co.id.

The population in this study consists of banking companies from the years 2019 to 2021. The sample companies selected for this research, using purposive sampling technique, include a total of 13 companies over 3 years, resulting in a total dataset of 36 companies.

D. RESULTS AND DISCUSSION

Descriptive Statistics

The descriptive statistics results in the table below show that the variable company value (Y) has a mean value of 1.035127 with a standard deviation of 0.223236, which is smaller than the mean. The smaller standard deviation compared to the mean indicates that the data for the variable (Y) is homogeneous, meaning that the data effectively represents the dataset. The minimum value is 0.462495, and the maximum value is 1.526837.

The descriptive statistics results in the table above show that the variable Green Banking (X1) has a mean value of 0.750000 with a standard deviation of 0.373210, which is smaller than the mean. The smaller standard deviation compared to the mean indicates that the data for the variable (X1) is homogeneous, meaning that the data effectively represents the dataset. The minimum value is 0.000000, and the maximum value is 1.000000.
The descriptive statistics results in the table above show that the variable shareholder rights (X2) has a mean value of 0.409722 with a standard deviation of 0.185926, which is smaller than the mean. The smaller standard deviation compared to the mean indicates that the data for the variable (X2) is homogeneous, meaning that the data effectively represents the dataset. The minimum value is 0.000000, and the maximum value is 1.860000.

The descriptive statistics results in the table above show that the variable managerial ownership (X3) has a mean value of 0.234820 with a standard deviation of 0.271362, which is smaller than the mean. The smaller standard deviation compared to the mean indicates that the data for the variable (X3) is homogeneous, meaning that the data effectively represents the dataset. The minimum value is 0.006469, and the maximum value is 0.988063.

The descriptive statistics results in the table above show that the variable independent commissioners (X4) has a mean value of 0.464162 with a standard deviation of 0.251085, which is smaller than the mean. The smaller standard deviation compared to the mean indicates that the data for the variable (X4) is homogeneous, meaning that the data effectively represents the dataset. The minimum value is 0.024186, and the maximum value is 0.922584.

### Table 1 Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Y</th>
<th>X1</th>
<th>X2</th>
<th>X3</th>
<th>X4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>1.035127</td>
<td>0.750000</td>
<td>0.409722</td>
<td>0.234820</td>
<td>0.464162</td>
</tr>
<tr>
<td>Median</td>
<td>0.953094</td>
<td>1.000000</td>
<td>0.330000</td>
<td>0.096592</td>
<td>0.460363</td>
</tr>
<tr>
<td>Maximum</td>
<td>1.528837</td>
<td>1.000000</td>
<td>0.830000</td>
<td>0.988063</td>
<td>0.922584</td>
</tr>
<tr>
<td>Minimum</td>
<td>0.462495</td>
<td>0.000000</td>
<td>0.000000</td>
<td>0.006469</td>
<td>0.024186</td>
</tr>
<tr>
<td>Std. Dev.</td>
<td>0.223236</td>
<td>0.373210</td>
<td>0.185926</td>
<td>0.271362</td>
<td>0.251085</td>
</tr>
<tr>
<td>Skewness</td>
<td>-0.082112</td>
<td>-1.201966</td>
<td>1.039991</td>
<td>1.372952</td>
<td>0.060699</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>3.361500</td>
<td>2.604734</td>
<td>3.532968</td>
<td>4.026014</td>
<td>2.445212</td>
</tr>
<tr>
<td>Jaque-Bera</td>
<td>0.236477</td>
<td>8.725377</td>
<td>7.090459</td>
<td>12.88905</td>
<td>0.461837</td>
</tr>
<tr>
<td>Probability</td>
<td>0.688484</td>
<td>0.012744</td>
<td>0.028662</td>
<td>0.001539</td>
<td>0.793604</td>
</tr>
<tr>
<td>Sum</td>
<td>37.26455</td>
<td>27.00000</td>
<td>14.75000</td>
<td>8.453373</td>
<td>16.70984</td>
</tr>
<tr>
<td>Sum Sq. Dev.</td>
<td>1.744198</td>
<td>4.875000</td>
<td>1.208997</td>
<td>2.577298</td>
<td>2.206526</td>
</tr>
<tr>
<td>Observations</td>
<td>36</td>
<td>36</td>
<td>36</td>
<td>36</td>
<td>36</td>
</tr>
</tbody>
</table>

Source: Eviews

### Selection of Panel Data Regression

#### Table 2 Chow Test

<table>
<thead>
<tr>
<th>Effects Test</th>
<th>Statistic</th>
<th>d.f.</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-section F</td>
<td>10.180467</td>
<td>(35,68)</td>
<td>0.0000</td>
</tr>
<tr>
<td>Cross-section Chi-square</td>
<td>197.744928</td>
<td>35</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

Source: Eviews
The Chow test results, which test between the Common Effect Model and the Fixed Effect Model in the table above, can be observed from the Cross-section F value of 0.0000 < 0.05. Therefore, it can be concluded that the appropriate model is the Fixed Effect Model (FEM).

### Table 3 Lagrange Multiplier Test

<table>
<thead>
<tr>
<th>Lagrange Multiplier Tests for Random Effects</th>
<th>Test Hypothesis</th>
<th>Both</th>
</tr>
</thead>
<tbody>
<tr>
<td>Null hypotheses: No effects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives</td>
<td>Cross-section F value</td>
<td>Time F value</td>
</tr>
<tr>
<td>Breusch-Pagan</td>
<td>56.08136 (0.0000)</td>
<td>0.214718 (0.6431)</td>
</tr>
<tr>
<td>Honda</td>
<td>7.488749 (0.0000)</td>
<td>-0.463377 (0.6785)</td>
</tr>
<tr>
<td>King-Wu</td>
<td>7.488749 (0.0000)</td>
<td>-0.463377 (0.6785)</td>
</tr>
<tr>
<td>Standardized Honda</td>
<td>8.064064 (0.0000)</td>
<td>-0.080241 (0.5320)</td>
</tr>
<tr>
<td>Standardized King-Wu</td>
<td>8.064064 (0.0000)</td>
<td>-0.080241 (0.5320)</td>
</tr>
<tr>
<td>Gourieroux, et al.</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Source: Eviews

The results of the Lagrange Multiplier test, which tests between the Random Effect Model and the Common Effect Model in the table above, indicate that the Breusch-Pagan Both value is 0.0000 < 0. Therefore, it can be concluded that the appropriate model is the Random Effect Model (REM).

### Classical Assumption Test

#### Nomality Test

From the above figure, it can be seen that the probability and the Jarque-Bera (JB) value obtained is 0.931833, which is greater than 0.05. Therefore, it can be concluded that the residuals are normally distributed, allowing for the continuation to the next testing phase.
Table 4 Multicollinearity Test

<table>
<thead>
<tr>
<th></th>
<th>X1</th>
<th>X2</th>
<th>X3</th>
<th>X4</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1</td>
<td>1.000000</td>
<td>-0.419990</td>
<td>0.274938</td>
<td>0.417240</td>
</tr>
<tr>
<td>X2</td>
<td>-0.419990</td>
<td>1.000000</td>
<td>-0.246419</td>
<td>0.094955</td>
</tr>
<tr>
<td>X3</td>
<td>0.274938</td>
<td>-0.246419</td>
<td>1.000000</td>
<td>-0.136935</td>
</tr>
<tr>
<td>X4</td>
<td>0.417240</td>
<td>0.094955</td>
<td>-0.136935</td>
<td>1.000000</td>
</tr>
</tbody>
</table>

Source: Eviews

In the table above, it is shown that the correlation coefficient between the independent variables in the correlation matrix is <0.90. This means that a good regression model should not have a correlation between independent variables. Since the correlation among independents is less than 0.90, there is no indication of multicollinearity (Ghozali, 2016:103)

Table 5 Heteroskedasticity Test

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>0.951248</td>
<td>0.087299</td>
<td>10.89647</td>
<td>0.0000</td>
</tr>
<tr>
<td>X1</td>
<td>0.215697</td>
<td>0.075782</td>
<td>2.846292</td>
<td>0.0053</td>
</tr>
<tr>
<td>X2</td>
<td>0.114305</td>
<td>0.132853</td>
<td>0.860387</td>
<td>0.3916</td>
</tr>
<tr>
<td>X3</td>
<td>-0.117303</td>
<td>0.084731</td>
<td>-1.384419</td>
<td>0.1692</td>
</tr>
<tr>
<td>X4</td>
<td>-0.206992</td>
<td>0.101494</td>
<td>-2.039440</td>
<td>0.0440</td>
</tr>
</tbody>
</table>

R-squared 0.079566 Mean dependent var 1.036111
Adjusted R-squared 0.043821 S.D. dependent var 0.221523
S.E. of regression 0.216615 Akaike info criterion -0.176198
Sum squared resid 4.832983 Schwarz criterion -0.052025
Log likelihood 14.51467 Hannan-Quinn criter. -0.125850
F-statistic 2.259338 Durbin-Watson stat 0.461188
Prob(F-statistic) 0.071283

Source: Eviews

In the above Eviews output, the Probability values are > 0.5 or 5% for both Green Banking and Good Corporate Governance. Therefore, it can be concluded that there is no heteroskedasticity in the regression model. Thus, the tester can proceed to the next testing stage.

T Test (Partial)

Variable X1 has a t-Statistic value of 2.846 with a probability value (significance) of 0.0053 (<0.05). Thus, the conclusion can be drawn that variable X1 significantly influences variable Y.

Variable X2 has a t-Statistic value of 0.860 with a probability value (significance) of 0.3916 (>0.05). Therefore, the conclusion can be drawn that variable X2 does not significantly influence variable Y.

Variable X3 has a t-Statistic value of -1.384 with a probability value (significance) of 0.1692 (>0.05). Therefore, the conclusion can be drawn that variable X3 does not significantly influence variable Y.

Variable X4 has a t-Statistic value of -2.039 with a probability value (significance) of 0.0440 (<0.05). Thus, the conclusion can be drawn that variable X4 significantly influences variable Y.
Discussion

Company Value

Company value is the collective value that investors attribute to a company's performance (Silvia Indrarini, 2019). The book value of the company is the value determined based on the mechanisms of accounting or bookkeeping (Bambang Sugeng, 2017). Meanwhile, according to Ubaidilah (2020), the company's value is defined as "the value that can measure the level of quality of a value that explains how much the level of importance of a company is in the eyes of investors."

According to Adevia Ananda et al (2022), the company's value serves as a measure of the success of corporate management, thereby increasing confidence for investors, and the fulfillment of investors' well-being reflects the high value of the company. One of the main goals of a company is to maximize its value, and, therefore, maximizing the value of a company needs to be undertaken by corporate management. With the increase in the value of a company, the well-being of shareholders also experiences improvement. Therefore, increasing the company's value is an achievement in line with the goals of its owners.

The company's value, reflected through stock prices, will undoubtedly be influenced by several factors such as stock market indices, interest rates, and the fundamental conditions of the company. Fundamental conditions are related to the internal conditions of the company. Fundamental factors are closely linked to the company's situation, such as the financial condition of a company reflected through its financial performance.

According to Pamungkas (2019), there are several concepts of value that explain the value of a company, namely: nominal value, market value, intrinsic value, book value, and liquidation value. Nominal value is the formally stated value in the company's articles of association, explicitly mentioned in the company's balance sheet, and also clearly written in the collective stock certificate. Market value, often referred to as the stock price, is the price determined through the bidding process in the stock market. This value can only be determined if the company's shares are traded on the stock market. Intrinsic value is the most abstract concept, as it refers to an estimate of the real value of a company. In this concept of intrinsic value, the value of the company is not just the price of a set of assets but the value of the company as a business entity with the ability to generate future profits. Meanwhile, book value is the value of the company calculated based on accounting concepts. Simply put, it is calculated by dividing the difference between total assets and total liabilities by the number of outstanding shares. Liquidation value is the sale value of all company assets after deducting all obligations that must be fulfilled. The remaining value is the shareholders' portion. Liquidation value can be calculated in the same way as calculating book value, based on the performance balance sheet prepared when a company is liquidated.

To determine the value of a company, you can use the Tobin's Q analysis approach, known as the Tobin's Q ratio. This ratio shows the current financial market's estimate of the value of returns from each unit of money invested in a company in the future. This measurement can help investors assess the company's ability to generate profits or gains in the future (Andriani et al., 2020). Here is the calculation to find Tobin's Q:

\[
Tobins\ Q = \frac{MVE + Debt}{Total\ Aktiva}
\]

Where:

- MVE = Market value of the total outstanding shares obtained by multiplying the total outstanding shares by the closing price.
- Debt = Total value of the company's debts.
Green Banking

Green Banking is a business concept for financial institutions that refers to environmentally friendly business practices. It aims to encourage banking corporations to grow and develop sustainably across economic, social, and environmental dimensions that are integrated. According to the Green Banking Report (2014), "Banks are not only focused on financial responsibility to manage their business as effectively as possible to generate maximum profits for shareholders but also concentrate their responsibility on efforts to preserve the environment (planet) and improve the social welfare of the people." Banks, as financial institutions, need to implement environmentally friendly business practices because they make a significant contribution to national development (Setyoko & Wijayanti, 2022).

The implementation of green banking practices, considering environmental balance in every business decision, can minimize the adverse effects of banking operational activities. Through this concept, the social responsibility of banking to stakeholders and the community is fulfilled, achieving sustainability (Shaumya & Arulrajah, 2017). In addition to benefiting the environment, this concept also benefits banking by improving the efficiency of bank activities, minimizing manual errors, and avoiding fraud or misconduct. Banks will also receive positive assessments from the public, enhancing the company's reputation (Setyoko & Wijayanti, 2022).

The integration of the Triple Bottom-Line pillars of banking accountability aims to ensure the long-term sustainability of banking profits and businesses. If the environment as the first pillar of sustainable banking business and society as the foundational second pillar are well-preserved, the implication is linking the sustainable growth of banking profits. The sustainability of these three pillars will undoubtedly result in long-term growth and business sustainability.

Here are some important aspects of green banking activities:

Banking Automation and Online Banking: Banks can assist the environment through automation and online banking.

Focus on Safety and Social Security: Green Banking focuses on safety and social security by mitigating negative impacts on society.

Prioritizing Environmentally-Friendly Investments: The financing side always prioritizes investments or loans considering the environmental risk factors.

Commitment to Sustainable Growth: Always caring about sustainable growth and environmentally friendly industries for social purposes.

Creating a Cohesive Atmosphere: Creating a cohesive atmosphere within and outside the bank.

Assuming Clients as Family Members: Assuming clients as family members, providing guidance and advice on projects to reduce pollution by applying scientific knowledge and methodologies in real life through Environmental Due Diligence (EDD) lists.

Reducing Costs and Energy: Reducing costs and energy consumption to save funds and contribute to a country's GDP.

The operational definition of Green Banking practices is a program that prioritizes the environment as the central activity of a company operating in the banking sector on the Indonesia Stock Exchange (BEI) from 2018 to 2020. Green Banking practices do not solely prioritize the company in seeking profits. Referring to the approach taken by Handajani (2019), the practices of the Green Banking program can be explained in the company by analyzing the equation as follows:

\[
\text{GBD} = \sum_{i=1}^{n} d_i
\]
Good Corporate Governance (GCG)

The definition and principles of corporate governance that currently endure and can be accommodated and adapted by various regulations, especially in Indonesia, include those from the Cadbury Committee. According to the Cadbury Committee (2004), which was later cited by FCGI in its first publication, corporate governance is a set of regulations governing the relationships between shareholders, company executives, creditors, the government, employees, as well as other internal and external stakeholders related to their rights and obligations. In other words, it is a system that regulates and controls the company.

Generally, there are five basic principles of good corporate governance:

- **Transparency**: openness in decision-making processes and the disclosure of material and relevant information about the company.
- **Accountability**: clarity of the functions, structure, systems, and accountability of the company's organs so that company management is carried out effectively.
- **Responsibility**: compliance with the principles of healthy corporate governance and applicable laws in managing the company.
- **Independence**: a situation where the company is managed professionally without conflicts of interest and influences/pressures from management that are inconsistent with applicable laws and healthy corporate principles.
- **Fairness**: fair and equal treatment in fulfilling the rights of stakeholders based on agreements and applicable laws.

The Indonesian Institute for Corporate Governance (IICG) states the goals of GCG: Regaining the trust of national and international investors and creditors. Meeting global standards. Minimizing the costs of loss and costs of preventing management abuse of authority. Minimizing the cost of capital by reducing risks faced by creditors. Increasing the company's stock value. Enhancing the company's image in the eyes of the public.

The GCG practices in this research include:

Independent Board of Commissioners: The composition of the board of commissioners is one characteristic related to earnings information content. The board of commissioners is generally assigned and responsible for overseeing the quality of information contained in financial statements. This is important given the management's interest in engaging in earnings management, which affects the diminished trust of investors. To overcome this, the board of commissioners is allowed to choose access to company information. The board of commissioners does not have authority in the company, so the board of directors is responsible for providing information related to the company to the board of commissioners.

Institutional Ownership: Institutional ownership is the amount of a company's shares owned by mutual funds, pension funds, insurance companies, investment companies, private foundations, endowments, or other large entities that manage funds on behalf of others. According to Darsani (2021), institutional ownership is ownership of company shares by institutions that can play a crucial role in supervising, disciplining, and influencing managers to avoid selfish behavior.

Managerial Ownership: Managerial ownership is the percentage of shares owned by top management of the company, consisting of directors and commissioners (Herdianti, 2018). With managerial ownership of company shares, it is considered to align potential conflicts of interest between management and other shareholders, and the agency-principal problem is assumed to disappear if a manager is also a shareholder.

Audit Committee: The audit committee is a group of people selected from the company's board of commissioners responsible for assisting auditors in maintaining their independence from management (Arianti et al., 2018). Qualitatively, the most important thing for audit committee members in performing their functions is their independence.
Independence is a critical element that will determine the overall role of the audit committee objectively and the achievement of management accountability for shareholders. These practices aim to ensure transparency, accountability, responsibility, independence, and fairness within the company, contributing to long-term growth and business sustainability.

E. CONCLUSIONS AND SUGGESTIONS

Green banking and good corporate governance have a significant influence on the company value in banking companies listed on the Indonesia Stock Exchange. Green banking has a more significant impact on company value compared to good corporate governance. Therefore, banking companies in Indonesia can increase their company value by implementing good practices of green banking and good corporate governance. This can help banking companies achieve sustainable growth, environmental friendliness, and provide social benefits.

REFERENCES


