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The Effect Of Green Accounting And Green Banking On Company Value With GCG As A Moderating Variable (Empirical Study on Banking Companies for the Period 2021-2023)

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***Keywords**:*
Green Accounting, Green Banking, Good Corporate Governance, Company Value, Banking

Abstract

This study aims to analyze the influence of Green Accounting and Green Banking on Company Value, with Good Corporate Governance (GCG) as a moderating variable, in banking companies listed on the Indonesia Stock Exchange (IDX) for the 2021–2023 period. This research is motivated by the increasing attention to sustainability practices in the financial sector and the need to ensure that environmentally friendly policies can provide added economic value to companies. The research method used is a quantitative approach with moderated regression analysis. Secondary data were obtained from annual reports and banking sustainability reports during the study period. The results show that Green Accounting has a positive and significant effect on Company Value. Conversely, Green Banking has a positive but insignificant effect on Company Value. Furthermore, the moderating role of GCG on the relationship between Green Accounting and Company Value is proven to be positive but insignificant. Meanwhile, GCG significantly moderates the relationship between Green Banking and Company Value, but with a negative direction. This study emphasizes the importance of integrating sustainability policies and corporate governance so that positive signals sent through environmentally friendly practices can be translated into increased company value.

INTRODUCTION

*Company Value*Company Value is an important indicator in assessing a company's performance and business prospects. Company Value reflects not only the current financial condition but also market expectations regarding the company's future growth and sustainability. In the banking sector, Company Value is a primary concern for investors, regulators, and other stakeholders because banks play a strategic role in maintaining economic stability and promoting sustainable development.(Lazuardi & Asyik, 2022). With increasing competition and regulatory changes, banks are required to focus not only on profitability but also on sustainability to increase market confidence and long-term competitiveness.

In today's era, environmental issues have become an important factor in accounting literature.(Kadhim et al., 2024), including sustainability, which has become a factor influencing Company Value. Investors and the public are increasingly paying attention to environmental, social, and governance (ESG) aspects in assessing the performance of a business entity, including the banking sector. The concepts of Green Accounting and Green Banking are part of the implementation of sustainability values adopted by banks to maintain a balance between profit and environmental responsibility. Green Accounting refers to the practice of recording and reporting environmental impacts in financial statements.(Hieu & Tien, 2023), while Green Banking includes banking policies that support investment and financing in environmentally friendly projects.(Fadilah, 2024).

Green accounting is a record that covers phenomena, objects, and activities related to environmental assets such as land, carbon, and water, and helps companies assess the costs and benefits of environmental activities (Sapulette & Limba, 2021). Research by Astuti et al. (2023) found that green accounting has a positive effect on company value. Meanwhile, research by Sapulette and Limba (2021) showed that green accounting had no effect on company value.

The implementation of green banking in Indonesia is also encouraged by the issuance of PBI (Bank Indonesia Regulation) No. 14/15/PBI/2012 to encourage environmentally friendly banking practices, by analyzing the environmental management of prospective debtors when applying for credit to banks. Based on previous research (Ramila, 2015; Sahoo et. al, 2016; Shaumya & Arulrajah, 2017; Sudhalakshmi & Chinnadorai, 2014; Wachyu et. al, 2021), green banking has a positive effect on Company Value. Khan et. al (2021) stated that companies that care about environmental conditions are one of the things that can improve company performance, this is because public trust in companies increases in line with banking towards Company Value and the extent of disclosure of green banking practices. Disclosure and transparency of information on green banking practices are carried out with the aim of increasing the company's legitimacy to owners or investors by considering the surrounding environment (Khan et al., 2021; Murwaningsari & Rachmawati, 2023). Meanwhile, research by Tiara and Jayanti (2022) found that green banking had no significant effect on Company Value.

The implementation of Green Accounting and Green Banking in the banking sector still faces challenges, particularly in ensuring that these sustainability initiatives truly have a positive impact on Company Value. Several banks have adopted green policies, but their effectiveness in increasing Company Value remains debated. Therefore, a Good Corporate Governance (GCG) mechanism is needed, which also plays a role in strengthening the implementation of sustainability strategies, by ensuring that Green Accounting and Green Banking practices are implemented transparently and accountably and increase Company Value. The main principles of GCG, namely transparency, accountability, responsibility, independence, and fairness, are the basis for banks in implementing their business policies and strategies.

In the context of sustainability, GCG acts as a moderating factor that strengthens the relationship between Green Accounting and Green Banking on Company Value. GCG can enhance the effectiveness of Green Accounting by ensuring that information related to environmental impacts is recorded and reported transparently in financial reports. With good governance, sustainability reports and company financial reports become more credible, thereby increasing investor and stakeholder trust. Accountability in environmental reporting can positively impact market perceptions of company value. Furthermore, in Green Banking, GCG ensures that green financing policies and practices are implemented consistently and not merely as a marketing strategy (greenwashing). Through strict oversight mechanisms, banks can allocate funds to projects that genuinely contribute to environmental and economic sustainability, thereby strengthening the company's position in the eyes of investors and regulators.

With strong GCG, the implementation of Green Accounting and Green Banking will be more focused and positively impact company value. Investors tend to have more confidence in companies with good governance in managing environmental risks and implementing sustainability policies. This ultimately increases company value through improved reputation, shareholder trust, and market competitiveness. Overall, GCG serves as a bridge that ensures the effective and sustainable implementation of Green Accounting and Green Banking, thereby increasing company value in the long term.

Based on this phenomenon, this study aims to analyze the influence of Green Accounting and Green Banking on Company Value, with Good Corporate Governance (GCG) as a moderating variable. This study was conducted on banking companies listed on the Indonesia Stock Exchange (IDX) during the 2021-2023 period. The research findings are expected to provide academic contributions and practical recommendations for the banking industry in optimizing sustainability strategies to increase company value in the modern era.

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Signaling Theory
According to Brigham and Houston in Sofiatin (2020), a signal is "an action taken by a company to provide investors with an indication of how management views the company's prospects. Companies can send signals to investors and stakeholders through the information they disclose, which then influences market perceptions of the company's value. The implementation of Green Accounting and Green Banking is a form of signaling that demonstrates a banking company's commitment to sustainability and environmental responsibility.
Furthermore, Good Corporate Governance (GCG) plays a crucial role as a mechanism to ensure that company signals are valid and not merely a greenwashing strategy. Strong GCG enhances transparency and accountability in the implementation of Green Accounting and Green Banking, thereby enhancing market signals and increasing investor confidence, ultimately leading to increased company value.

Legitimacy Theory
Legitimacy Theory states that companies must operate in accordance with societal norms, values, and expectations in order to gain legitimacy and support from stakeholders.(Behram, 2015)This theory assumes that companies will undertake various actions, including disclosure of sustainability information, to demonstrate that they operate in a socially and environmentally responsible manner. The role of Green Accounting and Green Banking can be understood as a banking strategy to gain and maintain legitimacy in the eyes of the public, regulators, and investors. By implementing Green Accounting, banks demonstrate transparency in reporting the environmental impact of their business activities, thereby strengthening the perception that they are responsible for sustainability issues. Green Banking, which includes environmentally friendly financing policies, also helps companies build an image as institutions concerned with sustainable development.
On the other hand, Good Corporate Governance (GCG) plays a reinforcing role in this legitimacy process. With sound GCG, the implementation of Green Accounting and Green Banking becomes more credible and avoids greenwashing practices. Investors and stakeholders will be more confident that a company's demonstrated sustainability commitments are not merely marketing strategies but part of effective governance. Thus, the legitimacy gained through sustainability practices and good governance can positively impact company value.

Hypothesis Development
The Influence of Green Accounting on the Company Value of Banking Companies
The implementation of Green Accounting in banking can increase Company Value because it reflects the company's transparency and commitment to sustainability, which aligns with Signaling Theory and Legitimacy Theory. Based on Signaling Theory (Spence, 1973), disclosing environmental information through Green Accounting provides a positive signal to investors and stakeholders that the company has a responsible and sustainable business strategy, thereby increasing market confidence and attracting ESG-based investors. Meanwhile, from the perspective of Legitimacy Theory (Suchman, 1995), Green Accounting helps companies gain legitimacy by demonstrating compliance with social norms and regulations related to sustainability, which can reduce regulatory risk and improve the company's reputation. Previous research, such as the study by Sayekti (2020), found that companies that implement Green Accounting have a higher market value compared to companies that do not disclose environmental information transparently. Furthermore, research by Yusoff and Lehman (2019) shows that good sustainability disclosure can increase competitiveness and stakeholder loyalty. Therefore, the following hypothesis can be formulated:
H1: Green Accounting has a positive effect on Company Value in banking companies listed on the Indonesia Stock Exchange (IDX) for the 2021-2023 period.

The Influence of Green Banking on the Company Value of Banking Companies

The implementation of Green Banking in banking can increase Company Value because it demonstrates the company's commitment to sustainability by supporting environmentally friendly investments and financing, which is in line with Signaling Theory and Legitimacy Theory. Based on Signaling Theory (Spence, 1973), the implementation of Green Banking sends a positive signal to investors that the bank is not only focused on short-term profitability but also considers environmental risks in its financing decisions, ultimately increasing trust and attractiveness to ESG-based investors (Environmental, Social, and Governance). From the perspective of Legitimacy Theory (Suchman, 1995), Green Banking helps banks gain legitimacy by demonstrating compliance with regulations and social norms related to sustainability, which can improve reputation and stakeholder loyalty and reduce regulatory risk. Previous research, such as the study by Shakil et al. (2020), shows that banks implementing green banking practices tend to have higher market value due to positive perceptions from investors and the public. Furthermore, research by García et al. (2021) found that banks active in sustainable financing experience increased customer trust and more stable asset growth. Therefore, the following hypothesis can be formulated:

H2: Green Banking has a positive effect on Company Value in banking companies listed on the Indonesia Stock Exchange (IDX) for the 2021-2023 period.

The Moderating Role of GCG in the Relationship between Green Accounting's Influence on Banking Companies' Company Value

*Good Corporate Governance (GCG)*Green accounting plays a role as a moderating variable that can strengthen or weaken the relationship between green accounting and company value, depending on how corporate governance is implemented in company practices. From the perspective of Signaling Theory (Spence, 1973; Brigham & Ehrhardt, 2022), the implementation of green accounting coupled with a sound corporate governance system will generate a stronger positive signal to investors and stakeholders. Transparency and accountability in environmental reporting ensure that the information disclosed is not merely symbolic or greenwashing, but rather reflects the company's true commitment to sustainability. This condition has the potential to strengthen the positive influence of green accounting on company value because the market assesses the credibility of environmental information as a reliable indicator of performance.

Conversely, if GCG mechanisms are implemented formally without substantial oversight of the quality of environmental disclosure, GCG can actually weaken the relationship between Green Accounting and Company Value. This occurs because overly rigid governance can hinder management flexibility in managing sustainability innovation, or because investors view environmental disclosure solely as a form of administrative compliance, rather than a value-added strategy.

In the context of Legitimacy Theory (Suchman, 1995; Kadhim et al., 2024), GCG helps companies gain legitimacy from society and regulators by ensuring that Green Accounting practices comply with sustainability standards, applicable regulations, and public expectations. However, this legitimacy will have a maximum impact on company value only if accompanied by a real integration between green accounting policies and the company's business strategy. Otherwise, the resulting legitimacy is normative and does not contribute significantly to increasing company value.

Previous research supports this role variation. Clarkson et al. (2020) found that companies with high levels of GCG tend to receive a more positive market response to environmental disclosure, while Sutopo et al. (2021) explained that the effectiveness of GCG in strengthening this relationship depends on the level of sustainability integration into company policies.

Thus, it can be concluded that GCG moderates the influence of Green Accounting on Company Value. Its moderating role can be strengthening when governance is implemented effectively and transparently, or weakening when its implementation is merely administrative and non-substantive. Therefore, the following hypothesis can be formulated:

H3: GCG moderates the effect of Green Accounting on Company Value in banking companies listed on the Indonesia Stock Exchange (IDX) for the 2021-2023 period.

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The Moderating Role of GCG in the Relationship between the Influence of Green Banking on the Company Value of Banking Companies

The role of Good Corporate Governance (GCG) as a moderating mechanism in the relationship between Green Banking and Company Value is crucial in ensuring that green banking policies are implemented effectively and credibly. Within the framework of Signaling Theory (Spence, 1973; Brigham & Ehrhardt, 2022), the existence of strong GCG can influence the direction of the signals a company sends to investors. When the governance system is running well, Green Banking practices will be accompanied by high transparency and accountability, thus making the sustainability signals sent by the company more credible and strengthening the influence of Green Banking on increasing company value.

However, under certain circumstances, GCG can also weaken the relationship between Green Banking and Company Value. This occurs when overly strict governance mechanisms limit a company's flexibility in making high-risk green investment decisions, preventing the full realization of the potential benefits of Green Banking policies.

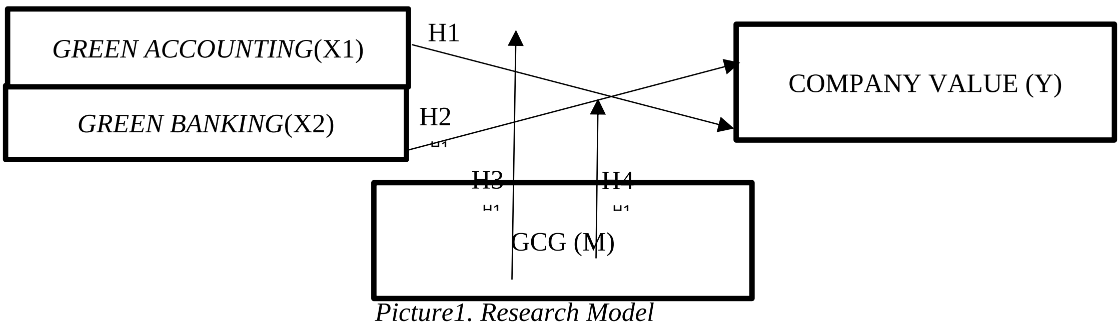
From the perspective of Legitimacy Theory (Suchman, 1995; Kadhim et al., 2024), the implementation of GCG helps companies gain social and regulatory legitimacy by ensuring that every Green Banking initiative complies with standards, regulations, and societal expectations. However, this legitimacy can also be normative if companies only implement green policies as administrative compliance without strategic integration into their business models, thus limiting their impact on company value.

Previous research supports this view. Khan et al. (2021) found that the relationship between green banking and company value is stronger in companies with good governance, while Fernando et al. (2022) showed that the effectiveness of good corporate governance can accelerate or slow the impact of sustainability policies depending on the consistency of their implementation.

Therefore, it can be concluded that GCG moderates the influence of Green Banking on Company Value, where its moderating role can be strengthening or weakening depending on how governance principles are applied in the company's sustainability practices.

H4: GCG moderates the effect of Green Banking on Company Value in banking companies listed on the Indonesia Stock Exchange (IDX) for the 2021-2023 period.

4.5 Research Model



Picture1. Research Model

METHODS

The research used is quantitative with a descriptive approach. The subjects of this study were listed banking companies, whose financial reports were collected from the Indonesia Stock Exchange for the observation period of 2021-2023. The objects of this study were the variables tested: green accounting, green banking, company value, and GCG. The population of this study was all listed companies in the banking sector, consisting of 46 banking companies. The sample in this study wasThe companies listed in the banking sector consisted of 14 banking companies with observation years 2021-2023. In this study, the sampling technique used was purposive sampling, with the following criteria:

1. Data in the form of financial reports or annual reports available at the IDX are consistent and complete during the year of research observation and the data presented is in accordance with what is needed in this research.
2. Publish its financial reports using the rupiah currency unit.

Table 1. Research Sample

No	Company
1.	PT. Bank Negara Indonesia (Persero) Tbk
2.	PT. State Savings Bank (Persero) Tbk
3.	PT. Bank Jtrust Indonesia Tbk.
4.	PT. Bank Danamon Indonesia Tbk.
5.	PT. Bank Ganesha Tbk.
6.	PT. East Java Regional Development Bank Tbk.
7.	PT. Bank Mandiri (Persero) Tbk.
8.	PT. Bank CIMB Niaga Tbk.
9.	PT. Bank Maybank Indonesia Tbk.
10.	PT. Bank Victoria International Tbk.
11.	PT. Bank Oke Indonesia Tbk.
12.	PT. Bank China Construction Tbk.
13.	PT. Bank Panin Dubai Syariah Tbk.
14.	PT. Bank Woori Saudara Indonesia 1906 Tbk.

Table 2. Variable Measurement

No	Variables	Definition	Measurement	Measurement Scale
1.	Company Value (Y)	Company value is a certain condition that has been achieved by the company as a reflection of public trust in the company after going through a process of activities for several years, namely from when the company was first established until the current situation (Fatemu et. al, 2018).	$Tobins\ Q = \frac{MVE + Debt}{Total\ Aktiva}$ (Smithers and Wright, 2007)	Ratio
2.	*Green Accounting*(X1)	Green accounting is a paradigm that states that accounting does not only focus on financial transactions, events, and objects, but also on	$GA = \frac{Biaya\ Pengelolaan\ Lingkungan}{Laba\ Bersih}$ (Hamidi, 2019)	Ratio

		environmental transactions, events, and objects (Lako, 2018).		
3.	*Green Banking*(X2)	*Green banking*is an effort to ensure that banking industry activities do not damage the environment (Hosain et. al., 2016)	$GBDI = \frac{\Sigma di}{n}$ (Khan et. al, 2021)	Ratio
4.	GCG (Z)	GCG is a guideline that regulates company operations in order to encourage control and supervision to protect the rights and interests of shareholders (Fajri, et. al 2022)[1].	CGI = A + (B+C)/2 + D + E	Ratio

Data Analysis Techniques

This study uses descriptive statistics to analyze the data to facilitate the description and explanation of the processed data, thus obtaining easily understandable results. It also uses classical assumption tests, namely the normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test.

Moderation Regression Analysis (MRA) Test

In this study, moderated regression analysis (MRA) was used with an absolute difference value test with the following equation formula:

$$\mathbf{Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3Z + \beta 4|X1 - Z| + \beta 5|X2 - Z| + \varepsilon}$$

Y = Company Values
X1 = *Green Accounting*
X2 = *Green Banking*
Z = *Corporate Governance Index*(CGI)
α = Constant
β = Parameter
|X1-Z| = The interaction is measured by the absolute value of the difference between*Green Accounting*and Corporate Governance Index (CGI)
|X2-Z| = The interaction is measured by the absolute value of the difference between Green Banking and the Corporate Governance Index (CGI)
e = error term

RESULTS AND DISCUSSION

Description Statistics

Descriptive statistical analysis is used to provide an overview of the data characteristics of each research variable, namely Green Accounting (GA), Green Banking (GB), Good Corporate Governance (GCG), Company Value (CV), and two moderating interaction variables.

Table 3 Descriptive Statistics

	N	Minimum	Maximum	Mean	Standard Deviation
GA	42	.49	.98	.8330	.12295
GB	42	4.24	5.20	4.7076	.20359
GCG	42	.01	.22	.0654	.04699
CV	42	.79	.99	.9421	.05062
Interaction1	42	.01	.16	.0558	.03982
Interactions2	42	.05	.98	.3072	.22164
Valid N (listwise)	42				

Source: processed data, 2025

Based on the results of descriptive statistical analysis, it is known that the Green Accounting (GA) variable has a minimum value of 0.49, a maximum value of 0.98, and an average (mean) of 0.8330 with a standard deviation of 0.12295. This indicates that the implementation of green accounting in the sample of banking companies is relatively high and has low variation between companies.

The Green Banking (GB) variable has a minimum value of 4.24, a maximum of 5.20, and an average of 4.7076 with a standard deviation of 0.20359. This value indicates that green banking policies in the banking sector are quite good and consistent.

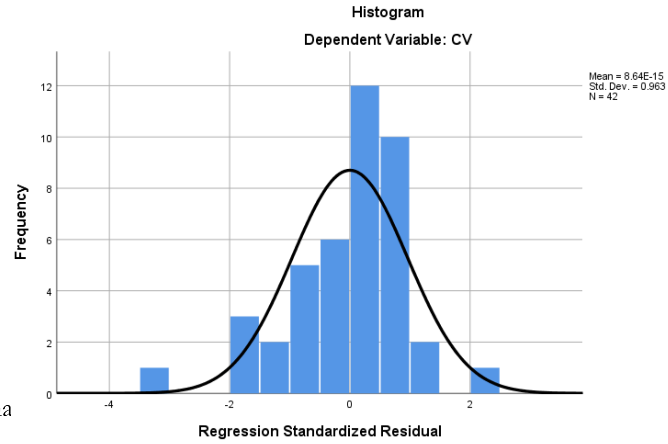
The Good Corporate Governance (GCG) variable has a minimum value of 0.01, a maximum of 0.22, with an average of 0.0654 and a standard deviation of 0.04699, which means there is variation in the level of GCG implementation between companies.

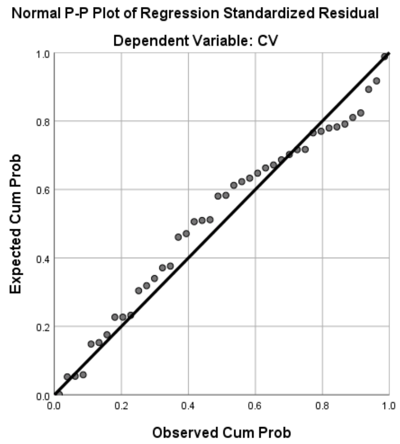
The dependent variable Company Value (CV) has a minimum value of 0.79, a maximum of 0.99, and an average of 0.9421 with a standard deviation of 0.05062. The high average value indicates that most banking companies had good market value during the study period.

From the results of the description, it can be concluded that all variables have a reasonable level of data distribution and there are no extreme outliers, so the data is suitable for further analysis using regression.

CLASSICAL ASSUMPTIONS

Normality





One Sample Kolmogorov-Smirnov

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		42
Normal Parametersa,b	Mean	.0009426
	Standard Deviation	.06573918
Most Extreme Differences	Absolute	.103
	Positive	.087
	Negative	-.103
Test Statistics		.103
Asymp. Sig. (2-tailed)		.200c,d

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

The normality test aims to determine whether the residual data is normally distributed. Based on the results of the One-Sample Kolmogorov-Smirnov Test, the Asymp. Sig. (2-tailed) value was 0.200, greater than 0.05. Thus, it can be concluded that the residual data is normally distributed. These results indicate that the regression model is suitable for further analysis because it meets the assumption of normality.

Multicollinearity

Coefficientsa

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	VIF
1	(Constant)	.775	.155		4,992	.000		
	GA	.273	.052	.664	5,243	.000	.930	1,075
	GB	-.009	.031	-.035	-.285	.777	.984	1,017
	GCG	-.293	.136	-.272	-2.159	.037	.939	1,065

a. Dependent Variable: CV

A multicollinearity test was conducted to determine whether there was a high correlation between the independent variables. Based on the test results, the tolerance value for each variable was greater than 0.10, and the variance inflation factor (VIF) was less than 10, as follows:

- GA = Tolerance 0.930 and VIF 1.075
- GB = Tolerance 0.984 and VIF 1.017
- GCG = Tolerance 0.939 and VIF 1.065

Thus, it can be concluded that there are no signs of multicollinearity in the regression model. This means that the independent variables are not strongly correlated with each other, and the regression model can be interpreted well.

Heteroscedasticity

Coefficientsa

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-.029	.159		-.181	.857
	GA	-.083	.053	-.248	-1,551	.129
	GB	.029	.031	.145	.932	.357
	GCG	.164	.139	.187	1,180	.245

a. Dependent Variable: Abs_Res1

The heteroscedasticity test was conducted using the Glejser Test to determine whether there was inequality in residual variance between observations. The test results showed a significance value for each variable greater than 0.05, namely GA (0.129), GB (0.357), and GCG (0.245).

This indicates that the regression model is free from heteroscedasticity. Therefore, the residual variance is homogeneous, and the regression model used is BLUE (Best Linear Unbiased Estimator).

Autocorrelation

Model Summary

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson
1	.658a	.433	.388	.03960	1,341

a. Predictors: (Constant), GCG, GB, GA
b. Dependent Variable: CV

The autocorrelation test was conducted using the Durbin-Watson (DW) Test to determine whether there is a relationship between the nuisance errors in periods t and t-1. The analysis results yielded a Durbin-Watson value of 1.341. This value lies between the lower limit (dL) and (4–dU), indicating no positive or negative autocorrelation.

Thus, the regression model is declared free from autocorrelation, so that the residuals between observations are independent.

Hypothesis Testing

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Hypothesis testing was conducted to determine the influence of each independent variable on the dependent variable, Company Value (CV), both directly and through the moderating variable, Good Corporate Governance (GCG). The testing was conducted using a t-test with a significance level of 5% (α = 0.05).

Coefficientsa

Model		**Unstandardized Coefficients B**	**Std. Error**	**Standardized Coefficients Beta**	**t**	**Sig.**
1	**(Constant)**	**.703**	**.152**		**4,611**	**.000**
	GA	**.170**	**.075**	**.412**	**2,255**	**.030**
	GB	**.023**	**.033**	**.093**	**.701**	**.488**
	Interaction 1	**2,252**	**1,204**	**1,772**	**1,871**	**.069**
	Interactions2	**-.445**	**.206**	**-1,948**	**-2.158**	**.038**

a. Dependent Variable: CV

Based on the results of the regression analysis:

1. The Green Accounting (GA) variable has a coefficient value of 0.170 with a significance value of 0.030 <0.05. This indicates that Green Accounting has a positive and significant effect on Company Value. This means that the better the implementation of green accounting in banking companies, the higher the resulting company value. This supports the first hypothesis (H1), which states that Green Accounting has a positive effect on Company Value.
2. The Green Banking (GB) variable has a coefficient value of 0.023 with a significance level of 0.488 > 0.05. This means that Green Banking has no significant effect on Company Value. Therefore, the second hypothesis (H2), which states that Green Banking has a positive effect on Company Value, is not supported.
3. The interaction variable between Green Accounting and Good Corporate Governance (Interaction 1) has a coefficient of 2.252 with a significance value of 0.069 > 0.05. This means that GCG does not significantly moderate the relationship between Green Accounting and Company Value, although the positive direction of the coefficient indicates that GCG tends to strengthen the relationship. Thus, the third hypothesis (H3) is not fully proven statistically.
4. The interaction variable of Green Banking with Good Corporate Governance (Interaction2) has a coefficient of -0.445 with a significance value of 0.038 < 0.05. This result indicates that GCG acts as a significant moderator, but the direction of the influence is negative, meaning that GCG weakens the relationship between Green Banking and Company Value. Thus, the fourth hypothesis (H4) is partially accepted — GCG is proven to moderate the relationship, but not in the expected positive direction.

Determinancy

Model Summary

Model	**R**	**R Square**	**Adjusted R Square**	**Standard Error of the Estimate**
1	**.695a**	**.483**	**.427**	**.03831**

a. Predictors: (Constant), Interaction2, GB, GA, Interaction1
b. Dependent Variable: CV

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The results of the Model Summary test show a value of R = 0.695, R Square = 0.483, and Adjusted R Square = 0.427 with a standard error of 0.03831.

The Adjusted R Square value of 0.427 indicates that 42.7% of the variation in Company Value changes can be explained by the variables Green Accounting, Green Banking, and the moderating interaction of GCG. Meanwhile, the remaining 57.3% is explained by other factors not included in the research model, such as profitability, company size, or overall ESG performance. This coefficient of determination value indicates that the regression model has a fairly good ability to explain the relationship between variables, and the test results have met the goodness of fit criteria.

DISCUSSION

The Influence of Green Accounting on Company Value

Based on the results of the regression analysis, the Green Accounting (GA) variable has a regression coefficient value of 0.170 with a significance value of 0.030 <0.05. A positive value in the regression coefficient indicates a consistent direction of the relationship, meaning that an increase in Green Accounting practices will be followed by an increase in Company Value in banking companies. Mathematically, every one unit increase in Green Accounting will increase the company value by 0.170 units. Thus, Green Accounting has a positive and significant effect on Company Value, so that the first hypothesis (H1) is accepted.

In the banking context, the implementation of Green Accounting reflects the extent to which a bank calculates and discloses costs and activities related to environmental impact management. This practice includes reporting environmental costs, energy efficiency, resource conservation, and disclosure of social and environmental responsibility programs. Banks that transparently report their environmental commitments will gain greater investor trust, demonstrating sound risk management and long-term business sustainability. This is particularly relevant in the banking sector, which now plays a strategic role in supporting the green economy. Through accountable environmental reporting, banks demonstrate that their operational and financing activities align with the principles of sustainable development. This encourages positive perceptions from the capital market, strengthens their reputation, and ultimately increases their Company Value.

These results align with Signaling Theory (Spence, 1973; Brigham & Ehrhardt, 2022), which explains that companies can send signals to investors through the disclosure of relevant information, including sustainability information. Green Accounting serves as a positive signal, indicating that management has a pro-environmental strategy and a strong sense of social responsibility. Investors interpret this signal as an indicator of the company's sound risk management and governance, thereby increasing trust and driving an increase in the company's market value.

Furthermore, these findings align with Legitimacy Theory (Suchman, 1995; Kadhim, Taher & Hassan, 2024), which emphasizes the importance of social legitimacy for corporate sustainability. Through Green Accounting practices, companies strive to align with social values and norms regarding sustainability and environmental responsibility. By disclosing environmental information in financial reports, banks gain legitimacy from stakeholders—including regulators, customers, and the public. This legitimacy strengthens the company's positive image, increases public trust, and contributes to increased Company Value.

The findings of this study are consistent with those of Astuti et al. (2023), which showed that green accounting positively impacts firm value because transparency of environmental information increases investor confidence. Research by Sayekti (2020) also states that disclosure of environmental costs in financial statements improves market perceptions of a company's stability and sustainability. Meanwhile, Hieu and Tien (2023) found that green accounting strategies in the Vietnamese banking sector significantly contribute to reputation and long-term financial performance. More recently, Kadhim et al. (2024) confirmed that sustainability disclosure in financial statements positively impacts a company's market value by increasing investor confidence and perceptions of environmental responsibility.

Thus, the results of this study strengthen empirical evidence that Green Accounting is a crucial factor in enhancing company value through increased transparency, social legitimacy, and positive market signals. This practice not only meets regulatory requirements but also serves as a business strategy that strengthens the competitiveness and sustainability of banking companies in the green economy era.

The Effect of Green Banking on Company Value

Based on the regression test results, the Green Banking (GB) variable has a regression coefficient of 0.023 with a significance value of 0.488 > 0.05. These results indicate that Green Banking has a positive but insignificant influence on Company Value. Mathematically, a one-unit increase in Green Banking only increases Company Value by 0.023 units, and this influence is not statistically strong enough. Thus, although the direction of the relationship is in accordance with the hypothesis, the influence is not significant at the 95% confidence level, so the second hypothesis (H2) is not rejected.

In the banking sector, Green Banking refers to operational policies and practices that support environmentally friendly activities, such as sustainable project financing, energy efficiency in branches, digitizing services to reduce paper use, and reporting on environmental responsibility activities. However, these insignificant results indicate that the implementation of Green Banking in Indonesian banks during the study period (2021–2023) remained at the compliance level, rather than at the strategic level capable of directly impacting company value. Investors likely do not yet consider banks' green activities a primary factor in investment decisions, as the economic benefits of Green Banking practices tend to be long-term and not yet reflected in short-term financial performance. Furthermore, differences in information disclosure levels between banks have resulted in a suboptimal impact of Green Banking on market perception.

From the perspective of Signaling Theory (Spence, 1973; Brigham & Ehrhardt, 2022), the implementation of Green Banking should send a positive signal to investors that the bank is concerned about environmental risks and sustainable governance. However, when implementation is inconsistent or transparency is limited, the signal is weakened or unclear to the market. This explains why the impact of Green Banking on Company Value is not yet significant—because the sustainability signal is not yet strong enough to influence investor perceptions broadly.

Meanwhile, according to Legitimacy Theory (Suchman, 1995; Fadilah, 2024), banks implementing Green Banking seek to gain social legitimacy from the public and regulators through participation in environmentally friendly financing. However, this legitimacy will have an economic impact only if the public and investors perceive the policy as credible and having a real impact. When Green Banking implementation is more administrative than strategic, the legitimacy gained tends to be

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normative (formal) and has not yet translated into increased company value. Thus, this theory explains that legitimacy without internalizing sustainability values into business strategy is unable to significantly create value.

(The results of this study are in line with the findings of Tiara and Jayanti (2022) who showed that Green Banking has not had a significant effect on Company Value in the Indonesian banking sector due to the minimal integration of green policies into bank business strategies. However, these results differ from the studies of Khan et al. (2021) and Wachyu et al. (2021) who found that Green Banking has a positive effect on company value in countries with high levels of environmental awareness and strong sustainability regulations. In addition, Shakil et al. (2020) also emphasized that the effect of Green Banking on new company performance will be seen in the long term, when a reputation and investor trust have been consistently established.

Thus, this study confirms that Green Banking practices in Indonesia still require strengthening in terms of implementation and reporting to strengthen the sustainability signal sent to the market. Increasing transparency and accountability in Green Banking policies will also improve public legitimacy and investor perception, which could ultimately drive significant increases in Company Value in the future.

The role of GCG in moderating the influence of Green Accounting on Company Value in Banking Companies

Based on the results of the moderation regression test, the interaction variable between Green Accounting and Good Corporate Governance (Interaction 1) shows a coefficient value of 2.252 with a significance value of 0.069 > 0.05. Mathematically, a positive coefficient indicates that the existence of GCG tends to strengthen the positive influence of Green Accounting on Company Value, although this influence is not yet statistically significant at the 95% confidence level. Thus, GCG is proven to have a moderating role, but its influence is still limited in increasing the relationship between Green Accounting practices and company value.

In the banking context, Green Accounting serves as a reporting and control tool that reflects environmental responsibility in a bank's operational and financial activities. When this practice is supported by strong Good Corporate Governance (GCG) implementation—encompassing transparency, accountability, and social responsibility—the resulting environmental information becomes more credible and relevant to investors. GCG helps ensure that Green Accounting disclosures are not merely symbolic or a formality of compliance, but rather truly reflect the company's efforts to maintain long-term sustainability and stability.

However, the results of the study indicate that the moderating effect is not yet significant. This may occur because the implementation of GCG in the Indonesian banking sector still focuses on regulatory compliance (compliance-based governance), rather than on a strategic approach that integrates environmental aspects into decision-making. As a result, the influence of Green Accounting disclosure on firm value has not been fully strengthened by existing governance mechanisms. Green Accounting directly increases the transparency and credibility of financial reports that are easily understood by the market; green accounting practices themselves are sufficient signals that increase company value, so the direct main effect appears significant. However, Good Corporate Governance does not significantly moderate because in this sample, GCG practices appear more administrative compliance-oriented and less varied—in other words, GCG has not been internalized as a strategic mechanism that strengthens the quality of

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environmental disclosure, so its role as a strengthener of the GA→CV relationship is weak and insignificant.

Based on Signaling Theory (Spence, 1973; Brigham & Ehrhardt, 2022), the combination of Green Accounting and effective GCG should generate a strong positive signal to investors, demonstrating that the company is not only profit-oriented but also cares about environmental responsibility. However, because GCG implementation in many banks is still oriented towards fulfilling formal obligations, the resulting sustainability signal is not yet strong enough to enhance market perceptions of the company's value. In other words, the positive signal exists, but has not yet translated into tangible value creation.

Meanwhile, within the framework of Legitimacy Theory (Suchman, 1995; Kadhim et al., 2024), these results indicate that GCG helps banks gain legitimacy from the public and regulators through transparent Green Accounting reporting. However, this legitimacy is only normative, not substantive. When legitimacy functions primarily as a compliance tool, rather than a reputational strategy, its impact on Company Value is limited. Therefore, although the direction of the relationship is positive, the effect is not yet statistically significant.

The results of this study align with those of Sutopo et al. (2021), who stated that the effectiveness of GCG in strengthening the relationship between environmental disclosure and firm value depends on the level of integration of sustainability policies into internal governance. Research by Clarkson et al. (2020) also found that companies with high GCG received a more positive market response to environmental disclosure, but this effect was only significant if environmental reporting was perceived as credible and substantial by investors. Furthermore, Fernando et al. (2022) emphasized that GCG has the potential to strengthen the relationship between environmental policies and financial performance, but its effects take time because sustainability values are not immediately reflected in short-term market indicators.

Thus, these empirical results indicate that good corporate governance has the potential to positively moderate the relationship between green accounting and company value, although it was not yet significant during the study period. Strengthening governance that emphasizes the integration of sustainability into business strategy is expected to clarify the positive signals sent to the market and enhance corporate legitimacy in the future.

The role of GCG in moderating the influence of Green Banking on Company Value in Banking Companies

Based on the results of the moderation regression test, the interaction variable between Green Banking and Good Corporate Governance (Interaction 2) has a coefficient of -0.445 with a significance value of 0.038 < 0.05. These results indicate that Good Corporate Governance (GCG) acts as a significant moderating variable, but with a negative influence. This means that the implementation of GCG actually weakens the positive influence of Green Banking on Company Value. Thus, the fourth hypothesis (H4) is accepted, because there is a significant moderating influence.

These results illustrate that when a GCG system is strictly implemented, the impact of Green Banking on company value can be reduced. This may occur because the implementation of highly cautious governance encourages banks to strictly select risky green financing projects, thus limiting the expansion of green financing activities. In this situation, the economic value of Green Banking is not fully realized. Conversely, banks with overly rigid GCG policies tend to focus more on

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formal compliance than on sustainable financing innovation, which actually reduces the potential for increasing Company Value. This result also makes sense when linked to Hypothesis 2, where Green Banking itself has no significant effect on Company Value. When the direct effect is not yet strong, the existence of restrictive GCG can further suppress this effect, resulting in a negative, albeit significant, relationship.

From the perspective of Signaling Theory (Spence, 1973; Brigham & Ehrhardt, 2022), Green Banking should send a positive signal to investors that the bank is committed to sustainability. However, when GCG is implemented with a high degree of prudence, this signal is weakened because green financing activities tend to be constrained by internal procedures and risk controls. As a result, investors may perceive that the bank's green policies have not yet generated a tangible economic impact, thus preventing significant increases in company value.
Meanwhile, according to Legitimacy Theory (Suchman, 1995; Kadhim et al., 2024), strict GCG implementation does increase a company's regulatory legitimacy, but it does not necessarily increase its social legitimacy with economic value. In other words, companies derive legitimacy from compliance, not from value-added sustainable innovation. Therefore, although GCG significantly moderates, the direction of the effect is negative because the legitimacy formed is still formal and unable to translate Green Banking activities into increased market value.

These results align with the findings of Fernando et al. (2022), who showed that the role of GCG can be ambivalent—strengthening or weakening the influence of green policies depending on the extent to which governance supports flexibility in sustainable innovation. Research by Tiara and Jayanti (2022) also found that Green Banking practices in Indonesia are still normative and have not yet become a primary factor in determining company value. Furthermore, Sutopo et al. (2021) explained that when corporate governance overemphasizes compliance controls over sustainability strategies, the effect of green policies on financial performance tends to decline. This is in line with the findings of research by Gasperz et al. (2022), which explained that GCG has a negative effect on company performance.
Thus, it can be concluded that Good Corporate Governance significantly moderates the relationship between Green Banking and Company Value, but in a negative direction. This condition indicates that overly strict or compliance-oriented governance can hinder the effectiveness of Green Banking in creating company value. Therefore, future GCG strengthening needs to be directed not only at compliance aspects, but also at flexibility and strategic integration so that Green Banking policies truly have a positive impact on increasing company value.

CONCLUSION

Based on the analysis and discussion, the following conclusions were obtained: Green Accounting has a positive and significant effect on Company Value. Green Banking has no effect on Company Value. GCG does not moderate the relationship between Green Accounting and Company Value. GCG significantly moderates the relationship between Green Banking and Company Value, but in a negative direction. This study has several unavoidable limitations, both in terms of data, methods, and research context, including: Limitations of the analysis model. The regression model used does not include control variables such as profitability, company size, and leverage, which can also affect Company Value. This has the potential to cause omitted variable bias even though it does not change the direction of the main relationship between variables; and the GCG moderation aspect is not optimal. The influence of GCG as a moderating variable tends to be weak, possibly due to the relatively high uniformity of GCG implementation among banks. This condition limits the study's ability to capture variations in the moderating effect more clearly.

For future researchers, it is recommended to extend the observation period, add control variables, and use a panel data approach or path analysis to obtain more robust results.

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