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DO INDEPENDENT COMMISSIONERS, GREEN INVESTMENTS, AND GREEN INNOVATION AFFECT ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)?

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Abstract: This study aims to test and analyze the influence of Independent Commissioners, Green Investments, and Green Innovation on the environmental, social, and governance (ESG) aspects of companies listed on the LQ45 Index of the Indonesia Stock Exchange during the period 2020-2022. The population in this study is 45 companies with a purposive sampling technique, resulting in a sample of 14 companies over a 3-year observation period. The data analysis technique used is multiple regression analysis using the IBM SPSS Statistics 26. The test results show that Independent Commissioners do not significantly influence the Environment, Social, and Governance. Green Investments have a positive and significant influence on the Environment, Social, and Governance. Meanwhile, Green Innovation has a positive and significant impact on the Environment, Social, and Governance. Together, Independent Commissioners, Green Investments, and Green Innovation can influence the Environment, Social, and Governance of LQ45 Index companies for the period 2020-2022.

Keywords : Independent Commissioners, Green Investments, Green Innovation, Environmental, Social, and Governance (ESG).

INTRODUCTION

Environmental, Social, and Governance (ESG) is a non-financial indicator of the company that includes matters related to sustainability, social, and corporate governance capabilities (Nuraini et al., 2023). In recent years, Environmental, Social, and Governance (ESG) performance has become a benchmark for evaluating corporate social responsibility worldwide. The increasing trend of sustainable investments has led to assessments of performance not solely based on financial aspects but also on non-financial aspects, namely information related to Environmental, Social, and Governance (ESG). The disclosure of Environmental, Social, and Governance (ESG) practices in the global data stream has been expanding over the years as efforts for companies to remain sustainable. Issues related to Environmental, Social, and Governance (ESG) have gained attention since they were proposed in the United Nations Principles of Responsible Investment report, which encouraged the integration of Environmental, Social, and Governance (ESG) aspects into sustainable investment practices.

There are several measurements to gauge Environmental, Social, and Governance (ESG) performance. Measurements can utilize ESG scores, such as those used in the study by (Naeem et al., 2022). Research by (Ebaid, 2023), employs the Global Reporting Initiatives (GRI) to measure stakeholder accountability regarding Environmental, Social, and Governance (ESG) objectives. This study employs ESG risk rating, as it provides a better assessment by encompassing all three dimensions of Environmental, Social, and Governance (ESG)

(Amaral et al., 2023). The assessment of Environmental, Social, and Governance (ESG) scores of listed companies is grouped into one of five (5) categories. Firstly, Negligible with scores of 0-10. Companies in this category are considered to have negligible Environmental, Social, and Governance (ESG) risks. Secondly, the Low category with risk scores of 10-20, indicates low Environmental, Social, and Governance (ESG) risks. Following that, the medium category with scores of 20-30 denotes moderate Environmental, Social, and Governance (ESG) risks. The next category is High, which signifies high Environmental, Social, and Governance (ESG) risks, with scores ranging from 30-40. The most serious category is Severe with scores above 40. This is because companies in this category are deemed to have severe Environmental, Social, and Governance (ESG) risks (Indonesia Stock Exchange). Below are some ESG risk rating data for LQ45 index companies for the period 2020-2022.

Table 1 ESG Risk Rating Data

No	Company	ESG Risk Rating			Description
		2020	2021	2022	
1	Aneka Tambang Tbk.	45,76	44,13	39,94	Severe
2	Japfa Comfeed Indonesia Tbk.	41,52	42,30	33,26	Severe
3	Kalbe Farma Tbk.	33,26	31,45	32,84	High

Source: Sustainalytics

Based on table 1 above, it can be seen that for the period 2020-2022, the ESG risk ratings for several LQ45 companies changed each year. PT Aneka Tambang Tbk has an ESG risk rating in the severe category. Overall, Japfa Comfeed Indonesia Tbk has performed in the severe risk category. PT Kalbe Farma Tbk has an ESG risk rating in the high-risk category. Independent commissioners play a crucial role in ensuring that companies adhere to good governance practices, including in ESG aspects, as they provide objective insights and advice to management to comply with ESG standards and be accountable to all stakeholders. Green innovation improves the environmental performance of companies by developing more environmentally friendly technologies and products, reducing negative impacts, creating long-term value, and meeting the demands of increasingly environmentally conscious consumers and regulators. Green investments help strengthen ESG values by allocating funds to projects that support environmental, social, and good governance, as well as enhancing the attractiveness of the company to investors considering ESG factors in their investment decisions.

Many factors can influence Environmental, Social, and Governance (ESG), including independent commissioners, green investment, and green innovation. Independent boards have a significant positive influence on ESG disclosure (Ellili, 2023). However, (Rahmadani et al., 2023) found that independent commissioners do not affect ESG performance. Research related to green investment shows a significant positive correlation in improving ESG ratings (Cao et al., 2023). Research related to Green Innovation can significantly improve Environmental, Social, and Governance (ESG) scores (Zheng et al., 2022).

This study aims to test and analyze the influence of Independent Commissioners, Green Investments, and Green Innovation on the environmental, social, and governance (ESG) aspects of companies listed on the LQ45 Index of the Indonesia Stock Exchange during the period 2020-2022. This research focuses on several key factors, including the role of Independent Commissioners, the implementation of Green Investment, and the implementation of Green Innovation. By exploring the influence of each of these factors, both partially and simultaneously, this study is expected to provide deeper insights into how these companies manage their environmental, social, and governance responsibilities. In addition, this study aims to provide a comprehensive overview of ESG performance in companies in the LQ45 index, so that it can make a meaningful contribution to the existing literature and better business practices in Indonesia.

LITERATURE REVIEW

Agency Theory

According to Jensen and Meckling (1976), agency theory pertains to the contractual relationship between members of a company or organization. The most commonly used model focuses on two individuals-the principal (or superior) and the agent (or subordinate) viewed from behavioral and structural perspectives. From the explanation above, it can be inferred that agency theory discusses the contractual relationship among members of a company or organization, particularly between principals and agents.

In the context of agency theory developed by Jensen and Meckling (1976), the board of directors plays an important role as a valuable control mechanism to match the interests of stakeholders and managers in terms of financial information and non-financial information. This theory suggests that independent commissioners play a significant role in reducing conflicts of interest and ensuring that management acts in the interests of the owners. This is supported by research (Kirpsza, 2023), Kirpsza (2023) and (Nisa Afifa et al., 2022), which emphasize the important role of independent commissioners in safeguarding the interests of owners. Independent commissioners serve as part of the oversight mechanism to monitor management decision-making and ensure accountability. They are responsible for upholding the principles of good corporate governance and ensuring the application of these principles within the company, as explained by (Handojo et al., 2023) and (Hidayanto & Munandar, 2022). The presence of independent commissioners is also required in several types of companies in accordance with the provisions of the Financial Services Authority (OJK) (Masriani et al., 2022).

Based on agency theory, this study uses independent commissioners as independent variables and Environmental, Social, and Governance (ESG) performance as bound variables. This approach is based on the idea that effective oversight of independent commissioners can affect a company's Environmental, Social, and Governance (ESG) performance. Agency theory suggests that independent commissioners help reduce conflicts of interest between management and owners, ensuring that companies act in accordance with the interests of stakeholders, including in environmental aspects, sosial, dan tata kelola.

Legitimacy Theory

Legitimacy Theory is widely used to explain environmental disclosure. The legitimacy theory was first introduced by Dowling & Pfeffer (1975). Legitimacy is a fundamental concept that evolved into legitimacy theory. The legitimacy theory states that companies operate within society, through a "social contract" that binds the company with society. The company agrees to comply with social values/norms in society (Guthrie & Parker, 1989).

Legitimacy theory, as explained by (Bengtson & Mossberg, 2023), legitimacy theory is very relevant in the context of green investment and green innovation because it provides a framework for understanding how companies can obtain and maintain social support through environmentally friendly practices. This theory suggests that companies make green investments and green innovations to gain legitimacy as well as maintain the necessary social permits for their operations. In this case, legitimacy includes not only compliance with regulations, but also adjustment to the norms and values of the wider society.

Companies with low Environmental, Social, and Governance (ESG) performance often engage in greenwashing practices to improve their image (Solikhah et al., 2020). However, through green investment and green innovation, companies can demonstrate their commitment to the environment, which in turn can strengthen their legitimacy in the eyes of stakeholders. (ZHAO YAXUAN, 2023) adds that by implementing these practices, companies can gain support that is crucial to their sustainability and long-term success. Thus, green investment and green innovation not only help companies in complying with environmental standards but also serve as important strategies for building and maintaining corporate legitimacy.

Based on the theory of legitimacy, this study uses green investment and green innovation as independent variables, and Environmental, Social, and Governance (ESG) performance as bound variables. The use of this theory helps explain how companies can meet social expectations and maintain support from society and stakeholders through green practices and sustainable innovation.

Independent Commissioners and Environmental, Social, and Governance (ESG)

Independent Commissioners are individuals not involved in the day-to-day management of the company and usually do not have substantial financial interests that could influence their decision independence. The presence of Independent Commissioners enhances transparency, accountability, and sustainability, which in turn boosts investor confidence, strengthens corporate reputation, and contributes to long-term value and stability (Yoewono, 2023). Independent Commissioners have an intrinsic relationship with Environmental, Social, and Governance (ESG) principles through their roles as objective and impartial executive overseers. They play a crucial role in supervising and promoting the company's sustainability initiatives, such as emission reduction, energy efficiency, and sustainable resource utilization, all of which are key components of the 'Environmental' pillar in Environmental, Social, and Governance (ESG) (Assidiqiyah & Sariwulan, 2023). (Ellili, 2023) the independent commissioner's significant positive influence on Environmental, Social, and Governance (ESG) disclosures.

H1: Independent Commissioner have a positive influence on Environmental, Social, and Governance (ESG).

Green Investments and Environmental, Social, and Governance (ESG)

Green Investment is an effort undertaken by companies to manage environmental issues and reduce the negative impacts arising from business activities (Yasrawan & Werastuti, 2022). Green Investment and Environmental, Social, and Governance (ESG) are closely related in their efforts to promote sustainability and

responsible business practices. Green investments directly contribute to the environmental (E) component of ESG by funding projects and initiatives aimed at reducing negative environmental impacts and advancing sustainability goals (Dilek, 2023). These investments also have a positive impact on the Social (S) aspect by creating green jobs and improving public health through pollution reduction. In terms of Governance (G), green investments encourage companies to adopt better governance practices, such as transparency in environmental reporting and stakeholder engagement (Pompella & Costantino, 2023). (Cao et al., 2023) revealed that there is a significant positive correlation between green investment and Environmental, Social and Governance (ESG) ratings.
H2: Green Investment have a positive influence on Environmental, Social, and Governance (ESG).

Green Innovation and Environmental, Social, and Governance (ESG)

Green Innovation is an innovation implemented in efforts to yield results in the form of environmental impact reduction. Green innovation and Environmental, Social, and Governance (ESG) are closely related in companies' efforts to achieve sustainability and sustainable growth (Tomashuk & Baldynyuk, 2023). Green innovation, which encompasses the development and implementation of environmentally friendly products, processes, and technologies, directly contributes to enhancing the environmental aspect of Environmental, Social, and Governance (ESG) performance by reducing negative impacts on nature and promoting more efficient resource usage. (Pompella & Costantino, 2023)(Xua et al., 2022). (Xua et al., 2022) demonstrated that green innovation positively impacts Environmental, Social, and Governance (ESG) performance.
H3: Green Innovation have a positive influence on Environmental, Social, and Governance (ESG).

Independent Commissioners, Green Investments, Green Innovation, and Environmental, Social, and Governance (ESG)

The relationship between Independent Commissioners, Green Investments, and Green Innovation with Environmental, Social, and Governance (ESG) performance is a crucial element in building corporate sustainability and social responsibility. This section integrates and highlights how the three elements of Environmental, Social, and Governance (ESG), as described by (Doni & Fiameni, 2023) when effectively integrated, create synergies that enhance the company's Environmental, Social, and Governance (ESG). This interaction enables companies to achieve sustainable growth, minimize risks, and build a positive reputation among stakeholders, investors, and consumers (Zhang & Chen, 2023).
H4: Independent Commissioner, Green Investment, and Green Innovation effect on Environmental, Social, and Governance (ESG).

RESEARCH METHODS

Population & Sample of the Study

The population of this study consists of companies listed in the LQ45 index on the Indonesia Stock Exchange for the period 2020 to 2022, totaling 45 companies. In this study, the sampling technique used a non-probability sampling method with a purposive sampling technique. Purposive sampling was the sampling method employed in this study, and the sampling criteria were as follows:

1. LQ45 index companies listed on the Indonesia Stock Exchange (IDX) during the period 2020-2022.
2. Listed companies held consistently out of the LQ45 index during the 2020-2022 period.
3. Companies that disclose sustainability reports for the 2020-2022 period.
4. Companies that have an ESG Risk Rating during the period 2020-2022.
5. Companies that have Independent Commissioners during the period 2020-2022.
6. Companies that disclose environmental costs during the period 2020-2022.

Based on the characteristics of sample selection, the selected sample consists of companies listed in the LQ45 index on the Indonesia Stock Exchange (IDX) during the period 2020 to 2022, totaling 14 companies with a 3-year observation period, resulting in 42 samples.

Selection of Statistical Tests

The data analysis technique used in this study is by using parametric statistical technique based on the collected data. The method used in this study is the multiple regression analysis method. This is because the independent variables studied are more than one variable, namely Independent Commissioners, Green Investment, and Green Innovation. In using the multiple regression analysis method, several classic assumptions must be met, namely the normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test.

RESULTS AND DISCUSSION

Descriptive Statistical Analysis

Descriptive statistical analysis is used to get an overview of the variables involved in the purchase. The data that can be seen consists of the average, minimum, maximum, and standard deviation values of the Environmental, Social, and Governance (ESG) (Y), Independent Commissioners (X1), Green Investment (X2), and Green Innovation (X3) variables. The results of the descriptive statistical analysis test are as follows:

Table 2. Descriptive Statistical Test Results

	N	Min	Max	Mean	Std. Deviation
Independent commissioner	42	0,33	0,70	0,4719	0,11882
Green Investment	42	0,02	43,63	7,5676	10,26940
Green Innovation	42	0,80	1,00	0,9048	0,10110
ESG	42	25,78	30,57	27,6124	1,18875
Valid N (listwise)	42				

Source: Output IBM SPSS 26 (processed data)

Based on table 2 above, the results of the descriptive statistical test show that the sample data in this study is 42. the average value of Environmental, Social, and Governance (ESG) is 27.6124. The minimum score is 25.78. The maximum score is 30.57. The standard deviation value obtained is 1.18875. The average score of Independent Commissioners is 0.11882. The minimum value is 0.33. The maximum value is 0.70. The standard deviation value obtained was 0.4719. The average value of Green Investment is 7.5676. The minimum value is 0.02. The maximum score is 43.63. The standard deviation value obtained is 10.26940. Furthermore, the average value of Green Innovation is 0.9048. The minimum value is 0.80. The maximum value is 1.00. The standard deviation value obtained was 0.10110.

Classic Assumption Test

Classical assumption tests are performed to ensure that the results of hypothesis testing in multiple linear regression models are not affected by bias. In this study, four tests were used to test classical assumptions, namely the data normality test, the multicollinearity test, the heteroscedasticity test and the autocorrelation test.

Normality Test of Data

The normality test of data is conducted to determine whether the data is normally distributed or not, which is done using the One-Sample Kolmogorov-Smirnov Test with a significance level of 0.05. The results of the normality test at Table 3.

Based on table 3 above, the results of the one-sample Kolmogorov-Smirnov test show that the significance value for all four variables, namely Independent Commissioners, Green Investment, Green Innovation, and Environmental, Social, and Governance (ESG), is 0.200. The regression model will meet the assumption of data normality if the Asymp. Sig. (2-tailed) value is greater than the significance level of 0.05. Therefore, it can be stated that the data in this study are normally distributed.

Table 3. Data Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		42
Normal Parameters[a,b]	Mean	0,0000000
	Std. Deviation	0,74256105
Most Extreme Differences	Absolute	0,087
	Positive	0,087
	Negative	-0,064
Test Statistic		0,087
Asymp. Sig. (2-tailed)		,200[c,d]

Source: Output IBM SPSS 26 (processed data)

Multicollinearity Test

The multicollinearity test aims to examine whether there is a relationship or correlation among the independent variables. If there is a correlation, it is referred to as a problem. The results of the multicollinearity test are as follows:

Table 4. Multicollinearity Test

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Independent commissioner	0,773	1,293
	Green Investment	0,772	1,295
	Green Innovation	0,952	1,051

a. Dependent Variable: ESG

Source: Output IBM SPSS 26 (processed data)

Based on table 4 above, the results of the multicollinearity test above show it can be seen that the tolerance value for X1 Independent Commissioner is 0.773, while X2 Green Investment is 0.772, and X3 Green Innovation is 0.952. It can be observed that all variable values have tolerance values >0.10 and VIF <10. Therefore, it can be concluded that there is no relationship or multicollinearity issue among the three independent variables.

Heteroskedasticity Test

The heteroskedasticity test aims to determine whether the regression model exhibits variance inequality of residuals from one observation to another. Heteroskedasticity testing can be observed by examining the results of scatter plot testing. If the points do not form a specific pattern (wavy, widening then narrowing), it indicates the presence of heteroskedasticity. The results of the heteroscedasticity test at Table 5.

Based on table 5 above, the results of the heteroskedasticity test above show that the points or dots are scattered with a random pattern, indicating an irregular pattern above and below the number 0 on the Y-axis. This indicates that there is no heteroskedasticity in the regression model.

Tabel 5. Heteroscedasticity Test Results

Coefficientsa						
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	22,929	1,154		19,874	0
	Independent commissioner	1,749	1,153	0,175	1,517	0,138
	Green Investment	0,064	0,013	0,55	4,765	0
	Green Innovation	3,733	1,221	0,317	3,056	0,004

a Dependent Variable: ESG

Source: Output IBM SPSS 26 (processed data)

Autocorrelation Test

The autocorrelation test aims to determine whether there is a correlation in the regression model. If the correlation shows a relationship between consecutive values of the same variable. To identify the presence of autocorrelation or not, the Durbin-Watson (DW) test can be conducted. The results of the autocorrelation test are as follows:

Table 6. Autocorrelation Test

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,781[a]	0,610	0,579	0,77132	1,852

Source: Output IBM SPSS 26 (processed data)

Based on table 6 above, the result of the Durbin-Watson test yielded a Durbin-Watson value of 1.852. With n = 42, according to the formula from Durbin-Watson, dU<d<4-dU. Where dU is 1.6617 and 4-dU is 2.3383. Meanwhile, the Durbin-Watson value in the table above is 1.852 and falls between dU < d < 4-dU, namely 1.6617 < 1.852 < 2.3383, which means that there is no autocorrelation between variables in this research.

Coefficient of Determination

The analysis of the coefficient of determination aims to measure the extent to which the independent variables (Independent Commissioner, Green Investment, and Green Innovation) influence the dependent variables (Environment, Social, and Governance). The results of the determination coefficient test are as follows:

Table 7. Results of Coefficient of Determination Analysis

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,781[a]	0,610	0,579	0,77132

Source: Output IBM SPSS 26 (processed data)

Based on Table 7 above, it can be observed that the coefficient of determination is 61.00%. This value indicates that 61.00% of Environmental, Social, and Governance (ESG) can be explained by the independent variables (Independent Commissioner, Green Investment, Green Innovation). Meanwhile, the remaining 39.00% is explained by other factors outside the independent variables being studied.

Partial Hypothesis Testing

After conducting descriptive statistical tests, classical assumption tests, and regression analysis tests, the next step is to test the hypothesis partially (t-test). For tabulated values, reference can be made to the t-distribution table with a significance level of 0.05. U The results of partial testing (t-test) are as follows:

Table 8. Partial Hypothesis Test Results

Coefficients						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	22,929	1,154		19,874	0,000
	Independent commissioner	1,749	1,153	0,175	1,517	0,138
	Green Investment	0,064	0,013	0,550	4,765	0,000
	Green Innovation	3,733	1,221	0,317	3,056	0,004

Source: Output IBM SPSS 26 (processed data)

Based on Table 5 above, it can be concluded that the regression equation is:

$$Y = 22.929 + 1.749\ X1 + 0.064\ X2 + 3.733\ X3 + e \quad (1)$$

The constant value of 22.929 means that if Independent Commissioner, Green Investment, and Green Innovation are all 0, then the value of Environmental, Social, and Governance (ESG) (Y) will be 22.929. The regression coefficient of the Independent Commissioner variable (X1) is 1.749, meaning that if the other independent variables remain unchanged and experience an increase of 1 unit, then Environmental, Social, and Governance (ESG) (Y) will increase by 1.749. The regression coefficient of the Green Investment variable (X2) is 0.064, meaning that if the other independent variables remain unchanged, then Environmental, Social, and Governance (ESG) (Y) will increase by 0.064. The regression coefficient of the Green Innovation variable (X3) is 3.733, meaning that if the other independent variables remain unchanged and experience an increase of 1 unit, then Environmental, Social, and Governance (ESG) (Y) will increase by 3.733.

Then, the t-value is 2.018 with a sample of 42 and a significance level of 0.05. Based on the coefficient column of model 1, the significance value indicates 0.138, so it can be concluded that H1 is rejected. The t-value for the Independent Commissioner variable is 1.749, indicating that the Independent Commissioner variable does not have a significant effect on Environmental, Social, and Governance (ESG), partially. The second and third parts of the test results on the Green Investment and Green Innovation variables Based on the coefficient column of model 1, the significance values indicate 0.000 and 0.004, so it can be concluded that H2 and H3 are accepted. The t-value for the Green Investment variable is 4.765 and for the Green Innovation variable is 3.056, indicating that the Green Investment and Green Innovation variables have a significant effect on Environmental, Social, and Governance (ESG), partially.

Simultaneous Hypothesis Testing

By using the formula F (k, n-k), where k is the number of independent variables in this study, which is 3 variables, and n is the number of study samples, which is 42, it can be seen that the degrees of freedom are F = 2.827. The results of the hypothesis testing simultaneously:

Table 9. Results of Simultaneous Hypothesis Testing

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35,331	3	11,777	19,795	,000[b]
	Residual	22,607	38	0,595		
	Total	57,938	41			

Source: Output IBM SPSS 26 (processed data)

Based on Table 9 above, it is known that the significance value of the regression model simultaneously is 0.000. This value is smaller than the significance level, that is, 0.000 < 0.05. Furthermore, from the output, the calculated F value is 19.795, while the tabulated F value is 2.827. Therefore, it can be observed that the calculated F value > the tabulated F value, which is 19.795 > 2.827. Thus, it can be concluded that H4 is accepted, meaning that simultaneously, the Independent Commissioner, Green Investment, and Green Innovation variables significantly affect Environmental, Social, and Governance (ESG) in LQ45 index companies listed on the Indonesia Stock Exchange for the period 2020-2022.

The Influence of Independent Commissioners on Environmental, Social and Governance (ESG)

The results of the data test show that Independent Commissioners do not have a significant influence on Environmental, Social, and Governance (ESG). This can be seen from the t_{count} value for the Independent Commissioners variable of 1.517 with a t_{table} value of 2.018 which means that the $t_{count} < t_{table}$ with a significance level of 0.138 > 0.05 indicates that H_0 is accepted and H_1 is rejected, so it can be concluded that the Independent Commissioners variable does not have a significant effect on Environmental, Social, and Governance (ESG). The results are not in line with the theory and are supported by research conducted by (Nicolo et al., 2023) where the results of the study state that independent commissioners have a positive effect on Environmental, Social, and Governance (ESG). The results of this study are in line with research conducted by (Rahmadani et al., 2023) which states that Independent Commissioners have no effect on Environmental, Social, and Governance (ESG).

The Influence of Green Investment on Environmental, Social and Governance (ESG)

The results of the data test show that Green Investment has a significant influence on Environmental, Social, and Governance (ESG). This can be seen from the calculation value for the Green Investment variable of 4.765 with a ttable value of 2.018 which means that the $t_{count} > t_{table}$ with a significance level of 0.00 < 0.05 indicates that H_0 is rejected and H_1 is accepted, then it can be concluded that the Green Investment variable has a significant influence on Environmental, Social, and Governance (ESG).

This is in line with the theory and supported by research conducted by (Cao et al., 2023) where the results of the study state that green investment has a positive effect on Environmental, Social, and Governance (ESG).

The Influence of Green Innovation on Environmental, Social and Governance (ESG)

The results of the data test show that Green Innovation has a significant influence on Environmental, Social, and Governance (ESG). This can be seen from the t_{count} value for the Green Innovation variable of 3.056 with a t_{table} value of 2.018 which means that the $t_{count} > t_{table}$ with a significance level of 0.004 < 0.05 indicates that H_0 is rejected and H_1 is accepted, so it can be concluded that the Green Innovation variable has a significant influence on Environmental, Social, and Governance (ESG).

This is in line with the theory and supported by research conducted by (Zheng et al., 2022) and (Xua et al., 2022) where the results of the study state that green innovation has a significant positive effect on Environmental, Social, and Governance (ESG).

The Influence of Independent Commisioners, Green Investment, and Green Innovation on Environmental, Social and Governance (ESG)

The results of the test show that there is a significant influence of Independent Commissioners, Green Investment, and Green Innovation on Environmental, Social and Governance (ESG). This is based on the F_{count} value for all Independent variables of 19.795 greater than the F_{table} of 2.827 or the F_{countl} value > F_{table} and the resulting significant value of 0.000 is 0.000 more than the set significance level of 0.05.

Thus, the conclusion can be drawn that the null hypothesis (H_0) is rejected and the hypothesis (H_a) is accepted. This means that the variables Independent Commissioners, Green Investment, and Green Innovation when tested simultaneously have a significant influence on Environmental, Social, and Governance (ESG). This explains that together they will have a significant impact on the company's Environmental, Social, and Governance (ESG).

The results of this study are in line with research conducted by (Rahmadani et al., 2023) which states that Independent Commissioners have no effect on Environmental, Social, and Governance (ESG). Meanwhile, research conducted by (Cao et al., 2023) where the results of the study stated that green investment has a positive effect on Environmental, Social, and Governance (ESG), and research conducted (Zheng et al., 2022) and (Xua et al., 2022) where the results of the study stated that green innovation has a significant positive effect on Environmental, Social, and Governance (ESG).

CONCLUSION

Based on the previous data analysis and discussion, it can be concluded that partially, Independent Commissioners do not have a significant influence on Environmental, Social, and Governance (ESG). However, Green Investment and Green Innovation have a significant impact on Environmental, Social, and Governance (ESG). Meanwhile, simultaneously, Independent Commissioners, Green Investment, and Green Innovation influence Environmental, Social, and Governance (ESG). The lack of influence of Independent Commissioners on Environmental, Social, and Governance (ESG) is due to the small value of Independent Commissioners in this study, which is caused by the small number of independent commissioners compared to the total number of board members owned by the Company.

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