

ABSTRACT

This study aims to examine the effect of green innovation (green process innovation and green product innovation) on the company's financial performance. Resource-based view theory is used as the theoretical framework in explaining the relationship between variables. The sample of this research was manufacturing company listed on Indonesia Stock Exchange (IDX) within the year of 2018 – 2020. Sampling method was purposive sampling method. Total sample being used are 436 samples, which came from 166 companies. The hypothesis is tested by using multiple linear regression. The results show that green process does not have a significant effect on financial performance. However, green product innovation has a positive impact on financial performance.

Keywords: green process innovation, green product innovation, reporting, financial performance.