ABSTRACT

This study aims to examine the influence of environmental performance, green product innovation, and green process innovation on the company's financial performance. The increasing attention to environmental sustainability requires companies to focus not only on profitability but also on innovation that supports environmental sustainability. Therefore, this study focuses on how environmental performance and green innovation in processes and products play a role in influencing the company's financial performance.

The sample used is a non-cyclical consumer sector company listed on the IDX in the 2021-2023 period. The sample was processed and used to test the hypothesis using multiple linear regression analysis methods, determinant testing, simultaneous, and partial, on the assumption of normality given the classical assumption test.

The results of the study indicate that environmental performance and green product innovation have a significant positive effect on the company's financial performance, but on the contrary green process innovation has a significant negative effect. This means that companies that implement green product innovation can increase the company's value in the eyes of consumers and investors, while innovation in the production process requires a longer period of time to have a positive impact on financial performance.

Keywords: Environmental Performance, Green Product Innovation, Green Process Innovation, Financial Performance