

ABSTRACT

Awareness of the importance of sustainable business practices in Indonesia is increasing, in line with the global commitment to achieve the Sustainable Development Goals (SDGs). However, the implementation of green accounting is still limited and needs to be further developed to accommodate the complex local context. Indonesia has issued various environmental regulations to regulate natural resource management and protect the environment. This study aims to examine the effect of funding structure (debt and equity funding) and ownership concentration on Green Accounting Disclosure (GAD) with company performance as a mediating variable. This research method uses quantitative research methods with secondary data. The study uses secondary data from 87 manufacturing companies listed on the Indonesia Stock Exchange for the 2019-2023 period, with a total of 435 observations. Data analysis uses Partial Least Squares-Structural Equation Modeling (PLS-SEM) through SmartPLS 4.0. The results of the study indicate that: (1) debt funding has no effect on company performance; (2) equity funding has a positive effect on company performance; (3) ownership concentration has a negative effect on company performance; (4) company performance has a positive effect on GAD; (5) debt financing has no effect on GAD; (6) equity financing has no effect on GAD; (7) ownership concentration has no effect on GAD; (8) company performance does not mediate the effect of debt financing on GAD; (9) company performance mediates the effect of equity financing on GAD; (10) company performance mediates the effect of ownership concentration on GAD. The research model is only able to explain 3.6% of the variation in GAD, indicating that factors outside the model such as regulatory pressure, industry norms, and governance characteristics have a more dominant role. The implications of this research suggest that companies seeking to improve environmental disclosure should prioritize equity financing to build profitability that can then support investment in sustainability practices and reporting.

Keywords: *Green Accounting Disclosure, funding structure, ownership concentration, firm performance, manufacturing companies*