

ABSTRACT

This study aims to examine the effect of corporate social responsibility and environmental performance on financial performance, with green innovation as a mediating variable. The independent variables in this study are corporate social responsibility and environmental performance, while financial performance is measured using Return on Assets serves as the dependent variable and green innovation as the mediating variable.

The population of this study consists of manufacturing companies listed on the Indonesia Stock Exchange during the 2021–2024 period. The sampling technique used was purposive sampling, resulting in 160 research samples. The analytical method used in this study was panel data regression analysis processed using EViews 12. This study also used the Sobel test to examine the role of green innovation as a mediating variable.

The findings reveal that corporate social responsibility and environmental performance have no significant effect on financial performance, while green innovation has a significant effect on financial performance. The Sobel test results indicate that green innovation is unable to mediate the effect of corporate social responsibility and environmental performance on financial performance.

Keywords: *Corporate Social Responsibility, Environmental Performance, Financial Performance, Green innovation, Return on Assets*

