

ABSTRACT

The application of Green Accounting in the manufacturing industry is progressively growing due to the emerging and rapid implementation of SDGs (Sustainable Development Goals) 12, 13, and 7 & 9, in line with the sustainability report of corporates. Additionally with foreign owned companies which emphasized SDGs through CSR (Corporate Social Responsibility) activities, thus further accentuate Green Accounting. This research aims to test the significance of Green Accounting on Financial Performance through measurement in environmental cost for calculating Green Accounting and profitability analysis by ROA (Return on Assets). The analysis is based on the measurement of Financial Performance. The population of this study comprises 50 manufacturing companies listed on the Indonesia Stock Exchange (IDX) over the 2020–2023 period, utilizing financial statement data, with Foreign Ownership serving as the moderating variable. The findings reveal that Foreign Ownership is not proven to moderate the influence of Green Accounting on Financial Performance. This indicates that environmental costs which measures Green Accounting can serve as a positive signal for profit enhancement that measures Financial Performance; however, their effectiveness is independent of the proportion of foreign share ownership in the company, with Foreign Ownership hasn't been able to moderate Green Accounting towards Financial Performance.

Keywords: Green accounting, financial performance, foreign ownership

