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# THE EFFECT OF GREEN FANCING AND PROFITABILITY ON THE VALUE OF MANUFACTURING COMPANIES IN INDONESIA

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ABSTRAK

This study aims to analyze the effect of green financing on profitability and firm value, as well as the role of profitability as a mediating variable in manufacturing companies in the food and beverage sector listed on the Indonesia Stock Exchange (IDX). This research employs a quantitative approach using secondary data obtained from annual financial statements and sustainability reports during the 2021–2024 period. The samples were selected using the purposive sampling method and analyzed through multiple linear regression. The results indicate that green financing does not significantly affect profitability or firm value, and profitability does not mediate the relationship between green financing and firm value. These findings suggest that the economic benefits of green financing tend to be long-term and have not been fully reflected in companies' financial performance or market valuation.



## INTRODUCTION

The rapid development of the global economy has encouraged an increase in industrial activity. However, it has also created serious environmental pressure. Globalization in economic, social, and political aspects has contributed to the deterioration of environmental quality through an increased ecological footprint (Keho, 2023). Rising energy consumption, excessive exploitation of natural resources, and industrial waste production are among the main factors contributing to environmental degradation in Indonesia. The manufacturing sector plays a major role in national economic growth, yet it is also one of the largest contributors to environmental pollution, particularly through carbon emissions (Filho et al., 2025). This condition highlights the urgent need to balance economic performance with sustainable business practices in order to minimize negative environmental impacts.

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Growing awareness of sustainable development has encouraged the emergence of various environmentally oriented financial instruments, one of which is green financing. Green financing is intended to support environmentally friendly business activities, such as renewable energy utilization, effective waste management, and the development of eco-friendly products (Harahap et al., 2024). The implementation of green financing is expected not only to contribute to environmental conservation but also to improve companies' competitiveness and sustainability in the long term. Furthermore, green financing plays an important role in enhancing energy efficiency as part of sustainable finance solutions (Wang & Xu, 2025). It is increasingly viewed as a financial strategy that can respond to regulatory demands and investor expectations for sustainable business practices

The implementation of green financing in corporate activities is increasingly considered part of a sustainability strategy that may influence financial performance and firm value. Green financing, as an instrument supporting environmentally sustainable activities, not only affects environmental outcomes but also influences the economic aspects of a company, including profitability and firm value (Amelda, 2025). Financing directed toward energy efficiency, waste management, and emission reduction is expected to reduce environmental risks and improve operational efficiency. These conditions theoretically contribute to higher profitability, which may serve as a positive signal for investors in evaluating corporate prospects and firm value (Sulistiyana & Trihastuti, 2025). However, the impact of green financing and profitability on firm value is not always immediate, as the economic benefits of sustainable practices often emerge over the long term and depend on market response and industry characteristics.

This study was conducted due to inconsistencies in previous research findings regarding the relationship between green financing, profitability, and firm value, particularly in the manufacturing sector. Some studies suggest that green financing increases firm value through improved reputation and investor trust, while others indicate that profitability does not significantly change as a result of green financing implementation (Ifadhoh & Yuliana, 2024). Additionally, empirical studies examining profitability as a mediating variable remain limited in Indonesia. Therefore, this research aims to provide more comprehensive empirical evidence regarding the role of green financing in influencing profitability and firm value in manufacturing companies, as well as to enrich the literature on sustainable finance.

## LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

### Stakeholder Theory

Stakeholder theory, introduced by Freeman in *Strategic Management: A Stakeholder Approach*, argues that companies have broader responsibilities beyond shareholders. According to this theory, firms are also accountable to various parties affected by business activities, including employees, consumers, governments, suppliers, communities, and the environment (Freeman, 2010). Companies cannot operate independently without stakeholder support; therefore, maintaining balanced and mutually beneficial relationships with stakeholders is essential. Firms are expected not to prioritize one group exclusively but to consider the interests of all stakeholders in order to sustain long-term performance and corporate continuity (Kituzi Avedi et al., 2020).

In its development, stakeholder theory emphasizes the balance between economic objectives, social responsibility, and environmental sustainability. Today, stakeholders increasingly demand that companies address social and environmental concerns rather than focusing solely on short-term profits (Awa et al., 2024). The implementation of green financing and ESG disclosure represents a tangible manifestation of corporate commitment to

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sustainability and an effort to gain legitimacy from stakeholders (Habib et al., 2025). Such practices can strengthen public trust, enhance corporate reputation, and provide competitive advantages that may positively influence profitability and firm value. Therefore, stakeholder theory provides a relevant foundation for explaining the relationship between green financing, profitability, and firm value, particularly in manufacturing industries with significant environmental impacts (Ndavi & Annastacia, 2024).

### Legitimacy Theory

Legitimacy theory explains that corporate existence and sustainability depend heavily on whether business activities align with the norms, values, and beliefs prevailing in society. Suchman (1995) defines legitimacy as a perception or assumption that an organization's actions are appropriate within a socially constructed system of norms and expectations. Deegan (2023) further emphasizes that the pursuit of legitimacy drives companies to disclose social and environmental activities as a form of public accountability. Legitimacy is crucial because it forms the basis for building and maintaining stakeholder trust. A mismatch between corporate values and societal values may create a legitimacy gap, which can lead to reduced support and loss of stakeholder confidence.

Legitimacy theory aims to explain how companies seek to obtain, maintain, and protect legitimacy through social and environmental initiatives. Firms attempt to demonstrate that their operations are not solely profit-oriented but also fulfill social and environmental responsibilities (Chen & Peng, 2025). One strategy is the adoption of green financing and sustainability reporting to indicate compliance with sustainability expectations (Tyvonchuk, 2025). In the manufacturing industry, which is often associated with environmental harm, green financing practices, eco-friendly technology adoption, and energy efficiency initiatives are critical means of maintaining legitimacy. These practices may also enhance profitability and firm value through increased investor confidence and reduced financing costs, reflected in the greenium phenomenon in green financial instruments (Purwanti, 2024).

## HYPOTHESIS DEVELOPMENT

### Green Financing and Profitability

The implementation of green financing through mechanisms such as green accounting may contribute to higher profitability by internalizing environmental costs, improving operational efficiency, and strengthening environmental risk management. Green accounting has been found to positively influence Return on Assets (ROA), indicating improved profitability (Maulidia et al., 2025). The use of green financing instruments such as green loans, green bonds, and sustainable investments can help companies reduce energy costs, minimize environmental risks, and improve corporate reputation and competitiveness (Elvaretta et al., 2024). Previous empirical studies show that green finance practices can increase profitability through energy efficiency improvements, operational risk mitigation, and access to sustainable funding sources (Ningsi et al., 2025)

**H1 : Green financing has a significant effect on profitability.**

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### Green Financing and Firm Value

Green financing may increase firm value because sustainable financing practices are often perceived positively by investors and the market. Higher levels of green financing implementation may enhance firm value through stronger investor confidence and market appreciation of sustainability commitments (Rafiqi et al., 2025). Companies that actively adopt green financing tend to gain higher market valuation as they are considered capable of reducing environmental risks, strengthening corporate reputation, and ensuring long-term growth (Purnamasari et al., 2024). According Juanda & Yumna (2025) previous studies confirm that green financing has a significant positive influence on firm value, although the relationship may vary depending on industry characteristics, firm size, and the firm value measurement indicators used, such as Tobin's Q or market-to-book ratio.

**H2 : *Green financing* berpengaruh terhadap nilai perusahaan.**

### Profitability and Firm Value

Profitability is a key indicator of financial performance and is frequently used by investors to assess a firm's future prospects. High profitability reflects a company's ability to generate earnings from its assets, thereby increasing investor confidence (Dianova & WS, 2024). This condition may lead to higher firm value as measured through Tobin's Q or market-to-book ratios. Empirical findings show that profitability measured by ROE has a positive and significant influence on firm value, as high ROE indicates efficient shareholder capital management, strong growth potential, and controlled financial risk, which encourages higher market valuation (Novelia et al., 2020).

**H3 : Profitability has a significant effect on firm value.**

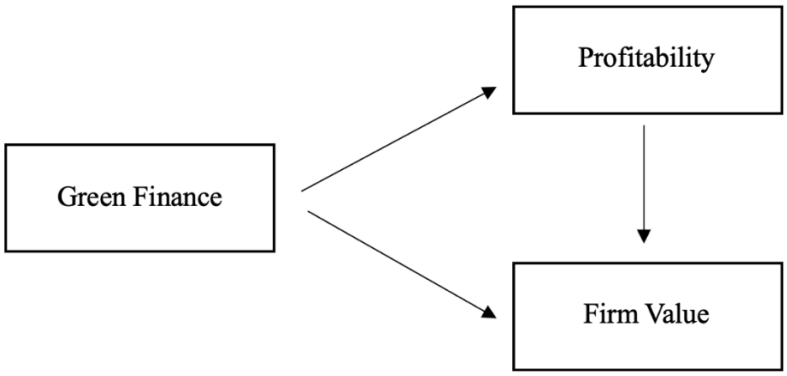


**Figure 1.** Conceptual Framework

Source: Processed by Author (2025)

## RESEARCH METHODS

This study employs an explanatory quantitative approach aimed at examining the causal relationships between green financing, profitability, and firm value. The research utilizes secondary data obtained from annual financial statements and sustainability reports of food and beverage manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2024 observation period. The sample selection was conducted using the purposive sampling method based on criteria of data completeness and consistency. Data analysis was

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performed using IBM SPSS through multiple linear regression techniques to test the influence of independent variables on dependent variables. Prior to regression analysis, classical assumption tests were conducted, including normality, multicollinearity, heteroscedasticity, and autocorrelation tests, to ensure that the regression model met statistical requirements.

The secondary data used in this study were obtained from:

1. Annual reports of food and beverage manufacturing companies listed on the IDX for the 2021–2024 period.
2. Sustainability reports published by the selected companies.
3. Financial data relevant to the research variables.

**Table 1.** Sampling Criteria

| No. | Description | Totals |
|---|---|---|
| **1.** | The sample in this study consists of food and beverage manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2024 period. | 83 |
| **2.** | A manufacturing company in the Food and Beverage (F&B) sector that has recently been listed on the IDX (Indonesia Stock Exchange). | 22 |
| **3.** | A manufacturing company in the Food and Beverage (F&B) sector that has consistently published Financial Statements, Annual Reports, and Sustainability Reports for the period 2021–2024. | 44 |
| **4.** | A manufacturing company in the Food and Beverage (F&B) sector that did not publish any Sustainability Reports during the 2021–2024 period. | 8 |
| | **Annual sample size** | 44 |
| | **Total number of observations (44 x 4)** | 179 |

The samples used in this study include several companies, as shown in the table below.

**Table 2.** Company samples

| No. | Company Code | Company Name |
|---|---|---|
| 1. | AALI | PT Astra Argo Lestari Tbk |
| 2. | AISA | PT Fks Food Sejahtera Tbk |
| 3. | ANJT | PT Austindo Nusantara Jaya Tbk |
| 4. | BISI | PT BISI International Tbk |
| 5. | BTEK | PT Bumi Teknokultura Unggul Tbk |
| 6. | BUDI | PT Budi Starch & Sweetener Tbk |
| 7. | CAMP | PT Campina Ice Cream Industry Tbk |
| 8. | CLEO | PT Sariguna Primatirta Tbk |
| 9. | COCO | PT Wahana Interfood Nusantara Tbk |
| 10. | CPIN | PT Charoen Pokphand Indonesia Tbk |
| 11. | CPRO | PT Central Proteina Prima Tbk |
| 12. | CSRA | PT Cisadane Sawit Raya Tbk |
| 13. | DPUM | PT Dua Putra Utama Makmur Tbk |
| 14. | DSFI | PT Dharma Samudera Fishing Industri Tbk |
| 15. | DSNG | PT Dharma Satya Nusantara Tbk |
| 16. | ENZO | PT Morenzo Abadi Perkasa Tbk |

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| | | |
|---|---|---|
| 17. | FOOD | PT Senta Food Indonesia Tbk |
| 18. | GULA | PT Aman Agrindo Tbk |
| 19. | ICBP | PT Indofood CBP Sukses Makmur Tbk |
| 20. | INDF | PT Indofood Sukses Makmur Tbk |
| 21. | JAWA | PT Jaya Agra White Tbk |
| 22. | JPFA | PT Jafpa Comfeed Indonesia Tbk |
| 23. | LSIP | PT PP London Sumatra Indonesia Tbk |
| 24. | MAIN | PT Malindo Feedmill Tbk |
| 25. | MGRO | PT Mahkota Group Tbk |
| 26. | MLBI | PT Multi Bintang Indonesia Tbk |
| 27. | MYOR | PT Mayora Indah Tbk |
| 28. | PALM | PT Provident Investasi Bersama Tbk |
| 29. | PGUN | PT Pradiksi Gunatama Tbk |
| 30. | PSDN | PT Prasidha Aneka Niaga Tbk |
| 31. | PSGO | PT Palma Serasih Tbk |
| 32. | SGRO | PT Sampoerna Agro Tbk |
| 33. | SIMP | PT Salim Ivomas Pratama Tbk |
| 34. | SIPD | PT Sreeya Sewu Indonesia Tbk |
| 35. | SKBM | PT Sekar Bumi Tbk |
| 36. | SKLT | PT Sekar Laut Tbk |
| 37. | SMAR | PT Smart Tbk |
| 38. | SSMS | PT Sawit Sumbermas Sarana Tbk |
| 39. | STTP | PT Siantar Top Tbk |
| 40. | TBLA | PT Tunas Baru Lampung Tbk |
| 41. | ULTJ | PT Ultra Jaya Milk Industry & Trading Co Tbk |
| 42. | UNSP | PT Bakrie Sumatera Plantations Tbk |
| 43. | WAPO | PT Wahana Pronatural Tbk |
| 44. | FISH | PT FKS Multi Agro Tbk |

## DATA ANALYSIS AND DISCUSSION

### Validity Test Results

The validity test was conducted to ensure that each indicator used in the study accurately measures the variables examined. Validity testing was performed by comparing the corrected item–total correlation value with the r-table value at a 5% significance level. An item is considered valid if its correlation value exceeds the r-table threshold. The results indicate that all items in the green financing, profitability, and firm value variables exceeded the minimum required value. Therefore, all measurement items were declared valid and suitable for further analysis.

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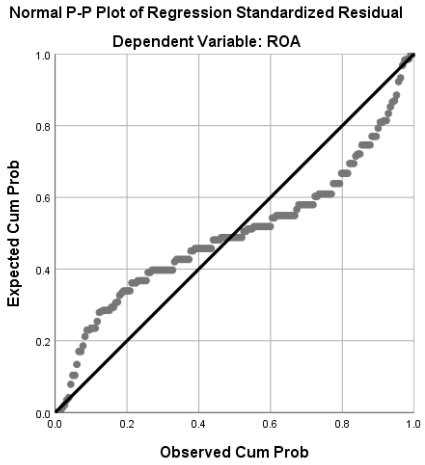
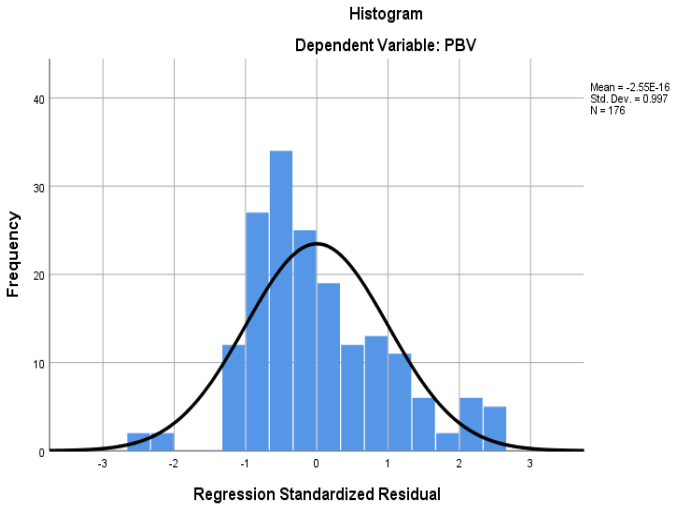
**Figure 2.** Normal P–P Plot Results




Based on the Normal P–Plot results for the ROA dependent variable, the residual points are distributed around and follow the diagonal line. This indicates that the residuals tend to be normally distributed. There are no extreme deviations or sharp curves away from the diagonal line. Although slight deviations occur at low and high probability values, they remain within acceptable limits. Therefore, the normality assumption is considered fulfilled.

**Figure 2.** Histogram Dependent Variabel PBV




In addition, the histogram of standardized residuals for the PBV regression model shows a distribution pattern close to normal. The residuals are centered around zero with relatively symmetrical dispersion. Although a few extreme values exist, their number is insignificant. Thus, the residual normality assumption is satisfied, and the regression model is appropriate for further analysis.

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**Heteroscedasticity Test Results**

**Table 3.** Results of the Glejser Test for ROA

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| **(Constant)** | 15,040 | 3,842 | | 3,914 | ,000 |
| **GF** | -8,499 | 4,123 | -,154 | -2,061 | ,041 |

a. Dependent Variable : ABS_RES1

The Glejser test results show that the green financing (GF) variable has a regression coefficient of -8.499, with a t-value of -2.061 and a significance level of 0.041, which is lower than 0.05. This indicates that GF significantly affects the absolute residual value. Therefore, there is evidence of heteroscedasticity in the relationship between green financing and ROA. The constant value of 15.040 with a significance of 0.000 indicates that the residual remains significant even when GF equals zero. The standardized beta coefficient of -0.154 suggests a negative influence of GF on residuals, although the strength of the relationship is relatively weak. Overall, the Glejser test indicates that the ROA regression model does not fully satisfy the homoscedasticity assumption and may require further treatment.

**Table 4.** Results of the Glejser Test for PBV

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| **(Constant)** | 2,513 | ,566 | | 4,442 | ,000 |
| **GF** | -,367 | ,607 | -,046 | -,604 | ,546 |

a. Dependent Variable : ABS_RES2

The Glejser test results for the PBV model show that the GF variable has a regression coefficient of -0.367, with a t-value of -0.604 and a significance level of 0.546, which is greater than 0.05. This indicates that GF does not significantly affect the absolute residual value. Therefore, no heteroscedasticity is detected in the PBV regression model. The constant value of 2.513 with a significance of 0.000 indicates that the residual remains significant even when GF equals zero. The standardized beta coefficient of -0.046 shows a negative but weak and insignificant relationship. Thus, the PBV regression model satisfies the homoscedasticity assumption and is suitable for further analysis.

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**Multiple Linear Regression Results**

**t-Test Results**

**Tabel 5.** Analisis Regresi Linear Berganda ROA

**Coefficients[a]**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| **(Constant)** | 10,505 | 4,710 | | 2,230 | ,027 |
| **GF** | -6,115 | 5,055 | -,091 | -1,210 | ,228 |

a. Dependent Variable : ROA

Based on the multiple linear regression results, the green financing (GF) variable has a coefficient value of -6.115 with a significance level of 0.228, which exceeds 0.05. This indicates that green financing does not have a statistically significant effect on profitability measured by Return on Assets (ROA). The negative coefficient suggests a declining trend in ROA as green financing increases; however, the effect is not statistically significant. The standardized beta value of -0.091 indicates that the influence of GF on ROA is relatively weak. The constant value of 10.505 implies that ROA is estimated at 10.505 when GF is zero. Thus, these findings suggest that green financing has not made a significant contribution to increasing the profitability of manufacturing companies in Indonesia during the study period. The t-test result supports this conclusion, with a t-value of -1.210 and a significance of 0.228 (> 0.05). Therefore, the hypothesis stating that green financing influences profitability is not supported.

**Table 6.** Multiple Linear Regression Analysis of PBV

**Coefficients[a]**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| **(Constant)** | 5,239 | ,994 | | 5,272 | ,000 |
| **GF** | -1,580 | 1,056 | -,113 | -1,496 | ,136 |
| **ROA** | -,021 | ,016 | -,103 | -1,363 | ,175 |

a. Dependent Variable : PBV

The regression results show that the constant value of 5.239 indicates that when green financing and profitability are zero, firm value measured by PBV is estimated at 5.239, assuming other variables remain constant. The green financing coefficient of -1.580 indicates that an increase in green financing by one unit tends to reduce firm value by 1.580. Meanwhile, the ROA coefficient of -0.021 suggests that an increase in ROA by one unit is associated with a decrease in firm value by 0.021. Both coefficients indicate negative relationships. The t-test results show that green financing has a significance value of 0.136 with a t-value of -1.496, while ROA has a significance value of 0.175 with a t-value of -1.363. Since both significance values are greater than 0.05, green financing and profitability do not have significant partial effects on firm value.

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**F-Test Results**

**Table 7.** F-Test for $H_1$

**ANOVA[b]**

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| **Regression** | 247,429 | 1 | 247,429 | 1,463 | ,228[b] |
| **Residual** | 29419,753 | 174 | 169,079 | | |
| **Total** | 29667,182 | 175 | | | |

a. Dependent Variable: ROA

b. Predictors: (Constant), GF

The F-test results for the ROA model show an F-value of 1.463 with a significance level of 0.228, which exceeds 0.05. This indicates that the regression model is not statistically significant simultaneously. Therefore, green financing does not significantly affect profitability measured by ROA.

**Tabel 8.** F-Test for F $H_2$ and $H_3$

**ANOVA[a]**

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| **Regression** | 27,477 | 2 | 13,739 | 1,877 | ,156[b] |
| **Residual** | 1265,955 | 173 | 7,318 | | |
| **Total** | 1293,432 | 175 | | | |

a. Dependent Variable: PBV

b. Predictors: (Constant), ROA, GF

The F-test results show an F-value of 1.877 with a significance of 0.156, which is greater than 0.05. This indicates that the regression model is not significant simultaneously. Therefore, green financing and profitability together do not significantly affect firm value measured by PBV.

**Koefisien Determinasi ($R^2$)**

**Table 9.** $R^2$ for $H_1$

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| **1** | ,091[a] | ,008 | ,003 | 13,003 |

The Model Summary table indicates an R Square value of 0.008, meaning that green financing explains only 0.8% of the variation in profitability. The Adjusted R Square value of 0.003 indicates that the model's explanatory power decreases to 0.3% after adjustment. This suggests that most profitability variation is explained by other factors outside the model. The standard error of estimate value of 13.003 indicates that prediction accuracy remains low.

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**Table 10.** $R^2$ for $H_2$ and $H_3$

| Model Summary | | | | |
|---|---|---|---|---|
| **Model** | **R** | **R Square** | **Adjusted R Square** | **Std. Error of the Estimate** |
| **1** | ,146[a] | ,021 | ,010 | 2,705 |

The R Square value of 0.021 indicates that green financing and profitability explain only 2.1% of the variation in firm value. The Adjusted R Square value of 0.010 suggests that the explanatory power decreases to 1.0% after adjustment. The standard error of estimate value of 2.705 indicates a high level of prediction error. Thus, the regression model has limited explanatory ability, and most firm value variation is influenced by other factors outside the model.

**Table 11.** Research Hypotheses Summary

| Hypotheses | Results |
|---|---|
| $H_1$ : Green Finance has a positive effect on profitability | $H_1$ : Rejected |
| $H_2$ : Green Finance has a positive effect on firm value | $H_2$ : Rejected |
| $H_3$ : Profitability has a positive effect on firm value | $H_3$ : Rejected |

## DISCUSSION

### The Effect of Green Financing on Profitability

The results indicate that green financing does not significantly affect profitability measured by Return on Assets (ROA). This is reflected by a t-value of -1.210 and a significance level of 0.228, which exceeds 0.05. Therefore, the hypothesis is not supported. The regression coefficient of -6.115 indicates a negative relationship between green financing and ROA; however, this relationship is not statistically significant. These findings support previous studies suggesting that the relationship between green financing and financial performance is complex and does not necessarily follow a linear pattern. This may occur because green financing implementation often requires substantial initial investment costs, which may reduce short-term profitability.

The standardized beta coefficient of -0.091 indicates that the effect of green financing on ROA is relatively weak. The R Square value of 0.008 further shows that green financing explains only 0.8% of profitability variation, while the remaining variation is determined by other factors. This aligns with the view that profitability is more strongly influenced by internal factors such as operational efficiency and capital structure than by sustainability financing policies. Conceptually, green financing is more oriented toward achieving long-term sustainability goals, which may not be immediately reflected in short-term financial performance but can strengthen corporate reputation and long-term growth.

### The Effect of Green Financing on Firm Value

The hypothesis testing results show that green financing does not significantly influence firm value measured by Price to Book Value (PBV). This is evidenced by a t-value of -1.496 and a significance level of 0.136, which is higher than 0.05. The regression coefficient of -1.580 indicates a negative relationship between green financing and firm value, although the effect is statistically insignificant. These findings suggest that the market has not fully responded to corporate sustainability policies. Investors may still prioritize conventional short-term financial

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indicators, resulting in the economic benefits of green financing not being reflected in market valuation.

From the signaling theory perspective, green financing should serve as a positive signal of a company's ability to manage environmental risks and ensure sustainable growth. However, such signals may be ineffective if they are not accompanied by transparent reporting and clear evidence of tangible financial benefits. Limited investor understanding of green financing instruments may also contribute to weak market response. Thus, the success of green financing as a market signal depends greatly on disclosure quality and investor awareness of sustainability issues.

### The Effect of Profitability on Firm Value

The study results indicate that profitability measured by ROA does not significantly affect firm value proxied by PBV. This is shown by a t-value of -1.363 and a significance level of 0.175, which exceeds 0.05. The regression coefficient of -0.021 suggests a negative relationship between ROA and firm value, but the effect is not statistically significant. These findings confirm that firm value is not solely determined by short-term profitability but is influenced by various internal and external factors, including growth prospects, industry risk, and non-financial factors that shape investor perceptions.

The standardized beta coefficient of -0.103 indicates a very weak influence of profitability on firm value. The R Square value of 0.021 further shows that profitability explains only a small portion of firm value variation. Investors may focus more on future performance expectations, operational stability, and market risk than on historical profitability. Capital market theory suggests that firm valuation is based on expectations of future sustainable cash flows rather than current profit levels. Therefore, profitability must be supported by credible long-term strategies, good governance, and clear business prospects to positively influence market valuation.

## CONCLUSION

This study concludes that green financing does not significantly affect the profitability or firm value of manufacturing companies in Indonesia. Furthermore, profitability does not mediate the relationship between green financing and firm value. These results indicate that the economic benefits of green financing have not been fully reflected in financial performance or market valuation. This may occur because green financing is part of a long-term sustainability strategy, and its impact may not be directly observable within a relatively short observation period. Therefore, its influence on profitability and firm value has not been empirically proven during the research period.

The practical implication of this study is that companies should integrate green financing initiatives with operational strategies and business performance improvements to maximize potential financial benefits. For policymakers, these findings can serve as evaluation material in designing more effective incentives and regulations to encourage green financing practices while also enhancing corporate economic value.

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