

Abstract

The increasing global awareness of the importance of environmental sustainability has led to greater attention to the environmental impact generated by corporate operations. Poorly managed environmental impacts can affect a company's financial performance. Green accounting, which aims to measure, manage, and report the environmental impact of business activities, has become a crucial tool for maintaining corporate financial sustainability. Furthermore, external factors such as Sales Growth and internal factors like profitability can influence a company's financial stability. An imbalance between these factors poses a risk of increasing the potential for financial distress, which can threaten the company's survival.

The purpose of this study is to examine the impact of green accounting, Sales Growth, and profitability on financial distress in manufacturing companies. This research is expected to provide insights into more sustainable corporate financial management practices.

This study uses a quantitative approach with multiple linear regression analysis. The population consists of manufacturing companies listed on the Indonesia Stock Exchange from 2018 to 2023, totaling 293 companies. The sample for this study comprises 14 companies selected through purposive sampling. The data obtained were analyzed using Eviews 12 Student Version to test the formulated hypotheses.

The results of the study indicate that green accounting has a positive but insignificant effect on financial distress. In contrast, Sales Growth and profitability have a positive and significant effect on financial distress. These findings provide an understanding that, while green accounting is an important aspect of corporate sustainability, other internal and external factors such as Sales Growth and profitability are more dominant in influencing the level of financial distress within companies.

The contribution of this research offers new insights into the importance of integrating sustainability aspects into corporate financial management, particularly in strategies for mitigating financial distress. Companies are advised to pay more attention to sustainability aspects and carefully consider the factors that affect financial stability in their business planning to reduce the risk of financial distress in the future.

Keywords: Green Accounting, Sales Growth, Profitability, Financial distress