



Green Accounting On The Financial Performance Of Pt. Sari Coffe Indonesia

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Abstract The activities of a company will have an impact on the environment. The application of *green accounting* in companies can improve the company's environmental performance which ends in an increase in financial performance with environmental benefits that can be managed and preserved properly according to government regulations. This study aims to analyze the application of *green accounting* by companies and determine the effect of *green accounting* on the company's financial performance.

Keywords: *Green Accounting, PROPER, Financial Performance*

Abstrak Aktivitas suatu perusahaan akan menimbulkan dampak terhadap lingkungannya. Penerapan *green accounting* pada perusahaan dapat meningkatkan kinerja lingkungan perusahaan yang berakhir pada peningkatan kinerja keuangan dengan keuntungan lingkungan yang dapat dikelola dan dilestarikan dengan baik sesuai peraturan pemerintah. Penelitian ini bertujuan untuk menganalisis penerapan *green accounting* yang dilakukan oleh perusahaan dan mengetahui pengaruh *green accounting* terhadap kinerja keuangan perusahaan tersebut.

Kata Kunci : Green Accounting, PROPER, Kinerja Keuangan

BACKGROUND STUDY

PT. Sari Coffee Indonesia is a company engaged in the coffee industry. Like other companies, PT. Sari Coffee Indonesia also produces financial reports as a tool to monitor its financial performance. However, apart from that, this company can also take advantage of green accounting analysis to evaluate the impact of its business activities on the environment and manage environmental risks.

Green accounting analysis is a method for measuring, monitoring, and reporting the environmental impact of a company's business activities. In this case, PT. Sari Coffee Indonesia can use green accounting analysis to measure the environmental impact of its production activities, such as the use of energy and natural resources, waste and emission management, as well as the environmental policies implemented.

With the adoption of green accounting analysis, PT. Sari Coffee Indonesia can provide a more comprehensive picture of its performance, including its impact on the environment. In the long term, this can help the company to reduce environmental risks and increase the

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sustainability of its business.

In this paper, we will discuss the influence of green accounting analysis on the financial statements of PT. Sari Coffee Indonesia. With reference to several relevant literature and case studies, it is hoped that this will provide a clearer picture of the importance of using green accounting analysis in managing environmental risks and improving the company's financial performance

Formulation of the problem

1. Does Greiein Accounting have an impact on the financial performance of PT. Sari Coffee Indonesia?

Research purposes

Want to know whether there is an effect from Greiein Accounting on the company's financial performance

LITERATURE REVIEW

Green Accounting

According to Lako (2018) Greiein Accounting is a process of measuring, acknowledging, recording, summarizing, reporting, which is disclosed with high integrity. With Greiein Accounting, it can guarantee sustainable economic development in order to realize social justice between people in one generation, even between generations. Greiein Accounting growth does not only cover the rate of economic growth, but also the quality of growth that can be beneficial to improve life in terms of environmental and social economy. There are 5 expected results in implementing Greiein Accounting in Indonesia, namely (1). Teirus balanced economic growth (2). Fair growth (3). strength and resilience in the social, economic and environmental fields (4). The eco-system of the service provider is healthy and continuously productive (5). Reducing the emission of greenhouse gases (GGGI, 2015)

Financial performance

Companies generally have specific goals that they want to achieve as a form of organization to fulfill the interests of their members. According to Fahmii, (2018) financial performance is an analysis carried out to find out the extent to which a company has implemented it by using financial management rules properly and correctly. Meanwhile, according to Rudiianto (2013: 189) financial performance is an achievement achieved by the company in carrying out its function to manage the company's assets in an effective manner during the course of a certain period. Financial performance is very much needed by a company to know and evaluate the extent to which the company's level of success is based on the

financial activities that have been carried out.

Success in achieving company goals is an achievement for companies, especially management. If you look at the company's organization, you can see the magnitude of the manager's responsibility which is manifested in the form of achieving financial performance. However, managing the amount of responsibility and at the same time measuring financial achievements is not easy, it requires patience and thoroughness.

Performance measurement or performance measurement measurement can be identified as the qualifications, efficiency and effectiveness of the company in the company's business operations as long as the process is continuous. By measuring financial performance, the company can see the growth prospects and the company's financial balance. The company can be said to be successful when the company has achieved the specific performance goals.

From the explanation above, it can be concluded that financial performance is the achievement of a company's achievements in a certain period of time to achieve profits so that the company becomes healthy and able to pay debts on time. Companies are required to improve and evaluate financial performance that is not healthy so that the company's financial performance becomes better (Kriistantii, 2018).

Financial performance can be measured using ratio analysis. Ratio is a tool used for company financial analysis which is used to assess the performance of a company based on comparisons of financial data contained in financial reports. Tryas, et. al, (2019) argues that there are judgments that must be made on financial reports, including:

1. Liquidity ratio, namely the ratio to determine the ability of a company to finance operations and fulfill financial obligations when billed.
2. Activity ratio, namely the ratio to find out the ability of a company to carry out daily company activities or the company's ability to sell, collect receivables, or use assets owned.
3. Solvability Ratio, namely the ratio that measures how far the company's assets are financed by debt
4. Profitability ratio, namely the ratio to determine the ability of a company to be able to profit from various policies and decisions that have been taken.

Ratio analysis can reveal relationships as well as become the basis for comparisons which show conditions or indifferences that cannot be identified if we only look at the components of the ratio alone. Companies can use overall profitability ratios or only a part of the existing types of profitability ratios. The profitability ratio is the ratio used to measure management efficiency based on the returns obtained from sales and investments (Heiry 2017: 7). Profitability also has an important meaning in efforts to maintain the viability of the

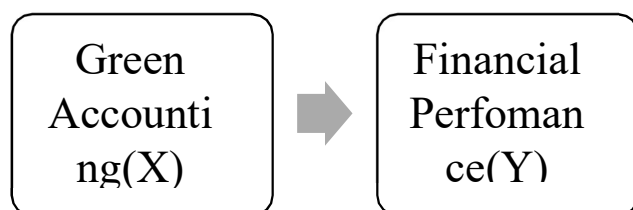
company for the long term, because profitability shows whether the company has good prospects in the future (Mariinii and Heinrii, 2020).

Heiry (2017: 7) states that the benefits of the profitability ratio are the same as any other ratio. The profitability ratio is not only useful for the company, but also for those outside the company. Along with the benefits of the profitability ratio, among others:

1. To find out the company's ability to obtain profits in one specific period.
2. To evaluate the profit position from the previous year to the current year.
3. To compare the balance of profits from year to year.
4. To measure the profit margin on sales.
5. To find out the productivity of all company funds used.

Conceptual Framework

The conceptual framework in this small sense is as follows:



RESEARCH METHODS

The research method used in analyzing the effect of green accounting on the financial statements of PT. Sari Coffee Indonesia is an analytical descriptive method. Analytical descriptive method was used to describe and analyze the relationship between the variables studied systematically and logically.

In this research, data was collected through documentation which was carried out by compiling the financial reports and environmental reports of PT. Sari Coffee Indonesia during the period of research. Observation is carried out by directly observing the company's activities related to environmental management, such as waste management and the use of natural resources.

Furthermore, the data that has been collected is analyzed by using multiple regression analysis techniques to test the hypotheses that have been formulated. Testing the coefficient of determination (R^2) is used to find out the level of accuracy of the regression analysis. In addition, Adjusted R^2 values are also used to avoid bias in regression analysis.

This analytical method was chosen because it can provide a clear picture of the effect of green accounting on the company's financial statements. This method can also provide accurate and reliable results in making the right decisions. However, this method also has the weakness of not being able to explain the cause and effect relationship between the variables studied

Research design

This research is a quantitative analysis method that describes the existence of a phenomenon with an object accompanied by statistical data through sample data.

Place and time of research

The research was carried out at the University of Surabaya on August 17, 1945, with the implementation date for the research, namely April 2023. With the aim of obtaining an annual report (annual report) through the website for research on www.iidx.co.id and the website for each company.

Data Type

The data used in this analysis are secondary data obtained from financial reports through the website www.iidx.co.id and the company website. Researcher uses the 2020 data sample.

Population and Sample

The population used in this research is a retail company that is active in the fast-serving food and beverage sector. Meanwhile, the sample used in this research is environmentally friendly product packaging, which supports the efficiency of the green accounting financial performance of the company.

Data collection technique

In this research, data is obtained by documentation, namely the collection of data originating from notes, reports, as well as documents related to Green Accounting at the company PT. Sari Coffee Indonesia. By testing the classical assumptions, we can see that the data has normal distribution and avoids problems. The classical assumption test in this analysis consists of the regression test.

Variable Definitions and Operational Definitions

1. Variable independent Green Accounting (X)
2. Variable dependent Financial Performance (Y)

HASIL DAN PEMBAHASAN

	PER	EC	PROPER	LEV	SIZE
Mean	18,66227	0,046090	3,100000	0,779712	29,45724
Median	18,64485	0,010009	3,000000	0,603907	29,30021
Maximum	43,46535	2,899358	5,000000	3,028644	31,86654
Minimum	-8,289242	-0,656284	2,000000	0,153484	26,76538
Std Dev.	11,54423	0,319728	0,559581	0,535332	1,513997
Skewness	0,069725	7,484778	0,730009	1,179767	-0,095779
Kurtosis	2,403105	66,30209	5,108221	4,766095	1,716849
Obeservation	100	100	100	100	100

From the results of the research conducted by the variable researchers, the best perceived is the environmentally friendly image Tumblr with a value of 4.05 (good). The variable that is still quite well perceived is the Paper Cup variable with a value of 4.56. While the Plastic Cup has a value of 4,016. According to the authors, from the data obtained, the community already has an awareness of the impact of their gold on health as well as the sustainability of life in the environment. This statement is also supported by the research results of Rajeish Kumar (2012), which refers to the theory of Queensland Government (2006), stating that products that use recyclable or natural materials will have a competitive advantage for the company. In terms of packaging, which can be seen from the indicators of using recycled packaging and using food-grade packaging, it also has very important and high-important frequency values so that it strengthens the conclusions of the authors who stated that consumers have already paid attention to what they will consume and its impact on health

To test hypotheses which show the effect of Green Accounting on Financial Performance, multiple regression analysis is used. In regression analysis, besides measuring the strength of the relationship between two or more variables, it also shows the direction of the relationship between the independent variables and the independent variables. The aforementioned research model can be formulated as follows: $Y = \alpha + b_1X_1 + b_2X_2 + \varepsilon$

This research uses multiple regression analysis techniques between environmental performance and environmental disclosure of profitability. The reduction coefficient test (R2) is used to find out the best level of accuracy in the regression analysis in this case it is indicated by the size of the reduction coefficient. The internal coefficient (R2) is used to find out the percentage of independent variables on the internal variables. From this it will be known how much the internal variability will be able to explain the internal variability, while the rest is

explained by other causes outside the model. The value of the coefficient R² has an interval of zero to one ($0 \leq R^2 \leq 1$). The greater the R² (means close to 1), the better the results for the regression model are said to be and the higher the index is 0, then the independent variables as a whole cannot explain the independent variables. To avoid bias, Adjusted R² values are used, because Adjusted R² can increase or decrease if one independent variable is added to the model.

Klasifikasi berdasarkan Variabel Produk

Variabel	Koefisien	Std. Error	t-Statistik	Prob.
C	179.1507	98.60369	1.816876	0.0732
EC	6.360007	2.577115	2.467879	0.0158**
PROPER	-3.385914	1.892383	-1.789233	0.0776*
LEV	3.458091	2.331319	1.483320	0.1421
SIZE	-5.193341	3.364303	-1.543661	0.1268
R-squared	0.768809	Mean dependent var	18.66227	
Adjusted R-squared	0.698843	S.D. dependent var	11.54423	
S.E. of regression	6.335217	Akaike info criterion	6.735688	
Sum squared resid	3050.258	Schwarz criterion	7.360929	

CONCLUSION

In conclusion, the use of Green Accounting can have a positive impact on the company's financial performance if properly implemented. The regression analysis above can be used to test the effect of Green Accounting on the company's financial performance, and if there is a significant effect, the company can take strategic steps that are sustainable and environmentally friendly to improve its financial performance.

Based on the results of the analysis of the effect of green accounting on the financial statements of PT. Sari Coffee Indonesia by using multiple regression analysis, obtained the result that environmental performance variables and environmental disclosures have a positive and significant impact on company profitability. This shows that PT. Sari Coffee Indonesia can increase its profitability through implementing green accounting and good disclosure of environmental information.

The obtained coefficient of efficiency (R²) is 0.680, indicating that 68% of the profitability variation can be explained by independent variables, namely environmental performance and environmental disclosure, while the remaining 32% is explained by other factors outside the model.

SUGGESTION

Suggestions that can be given are companies must pay attention to the practice of Green Accounting in their business activities and measure its impact in a continuous manner on financial and environmental performance. Companies must also strengthen sustainable corporate governance by taking into account social and environmental responsibilities, as well as balancing social, environmental and financial aspects in a balanced way in making decisions. Finally, companies must ensure that their Green Accounting practices are supported by an effective management system and integrated into the entire business process to achieve long-term success. In this case, the suggestions that can be given are PT. Sari Coffee Indonesia needs to continuously improve the implementation of green accounting and disclosure of environmental information in order to increase the company's profitability. Apart from that, the company also needs to identify other factors that affect the company's profitability and look for solutions to overcome them. As a further step, further research can be carried out by widening the independent variables and increasing the number of samples to obtain more efficient results.

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