

## **Green Accounting Disclosures In Efforts To Improve Environmental Performance And Financial Performance**

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### **Abstract**

Companies that already run their businesses, then the possibility of these companies has great potential to have a positive and negative impact. In fact, the impacts that arise in the company there are two parts, namely the impact of bio-physics-chemistry and social impacts. From the cost of environmental accounting, there will be something related to environmental activities, the company is obliged to inform the environmental impact caused, the company's duty to disclose according to. Disclosure of environmental accounting is still voluntary, because it has not been specifically regulated in accounting standards. Corporate environmental accounting disclosures can be assessed with proper ranking, which is one of the Ministry of Environment and Forestry programs. This PROP is a rating program for evaluating company performance in environmental management. Environmental accounting is a cost that directly impacts the company as a whole (in this case referred to as "personal costs"). The data analysis technique used multiple linear regression which sought the cause and effect of the relationship between the two variables studied. Based on the results of data analysis processed in the SPSS Version 16 application, it can be concluded that if a company is registered to join this program then the company will get a proper rating, there are five proper ratings (black, red, blue, green and gold.)

**Keywords: Green Accounting, Financial Performance and Environmental Performance**

### **INTRODUCTION**

When the company is already running its business, then the company is likely to have great potential to have a positive and negative impact. In fact, the impacts that arise in the company there are two parts, namely the impact of bio-physics-chemistry and social impacts. For example, when our forest life is polluted as land for exploitation, companies can pollute the damage to protected debt, and also damage to the biodiversity in the forest, not only forests that are damaged in water life are often contaminated by companies, then the ecosystem in water life will be polluted due to the actions of the company, the water will also be polluted as dirty, turbid and no longer healthy to be used in daily life, companies usually temporarily dispose of their waste in rivers, and the sea. Recently environmental pollution caused by the company's behavior occurred in Bandung on 1-2-2018 news in Bandung, Kompas.com stated that there were four companies that were suspected of contaminating the Citarum river, the four companies were suspected of dumping their factory waste directly to the motive of the tributary of the citarum company was to bring the waste into the river because it did not have a wastewater treatment plant (IPAL), due to the human-made jail, many residents living around the citarum river were troubled because the water changed color and could not be consumed in a day.

From the cost of environmental accounting, there will arise something related to environmental activities, the company is obliged to inform the impact of environmental impacts caused by the company, then the task of the company to do disclosures according to them. the hiding of

something. Disclosure is divided into two characters, namely mandatory disclosure and voluntary disclosure. disclosure of environmental accounting is still voluntary, because it is still not specifically regulated in accounting standards. According to nursasi (2017: 25) it is explained in PSAK No. 0. 1 of 2009, paragraph nine (9) which states companies can also present additional reports such as reports on the environment and value added statements, especially for industries where environmental factors play an important role and for industries that consider employees as report user groups who play an important role. Companies can submit environmental disclosure information using various media such as annual reports and financial reports. The goal is to attract investors to invest in the company. When investors buy shares and their shares increase, the increase in shares can get profits from the purchase can be seen from changes in stock returns recorded in the financial statements. Corporate environmental accounting disclosures can be assessed with proper ramgking, which is one of the Ministry of Environment and Forestry programs. This PROP is a rating program for evaluating company performance in environmental management.

## METHODS

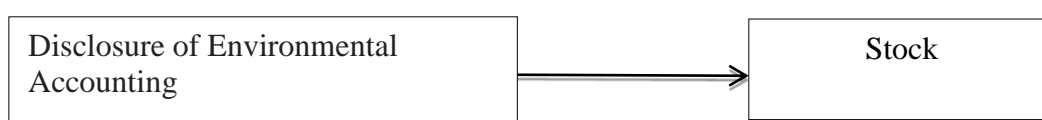
This research is a two-way relationship between the independent variable and the dependent variable that are reciprocal, meaning that one variable can be the cause and also the effect on other variables, and vice versa.

The purpose of this study is explanatory (explanatory research) where explanatory research is a type of research that explains the causal relationship between one variable with other variables through hypothesis testing. The object of this study is the Disclosure of environmental accounting for stock performance. Companies in use include manufacturing sector companies that have proper property from the Ministry of Environment and Forestry which are listed on the Indonesia Stock Exchange in 2011-2015.

The type of data used is secondary data type, which is indirectly obtained by researchers from intermediary media. The data taken is in the form of a Manufacturing company listed on the Indonesian stock exchange and its code, and also takes the form of an annual report in which there is a stock return, and the second also takes an annual report in which there is information about the proper ranking notes from the Ministry of Environment and forestry.

Samples are all amounts with certain characteristics or characteristics that are in the population. And the method of sampling used by researchers is the Porpositive Sampling or Sampling Purpositive is the determination of the sample through several specific considerations. And considerations in this study are as follows: Manufacturing sector companies that have proper property from the Ministry of Environment and Forestry, Manufacturing sector companies listed on the Indonesia Stock Exchange, Companies that publish annual reports continuously throughout the study period.

According to Sugiyono (2015: 128) a good frame of mind will theoretically explain the interrelation between variables to be studied. So theoretically it is necessary to explain the relationship between independent and dependent variables. Based on the above theoretical basis, the researchers describe the following framework of thought:



The steps of the data analysis technique in this study are as follows:

1. Collection of data from the Indonesia Stock Exchange. Taking data on annual reports from companies in the manufacturing sector, in the annual report looking for proper property from the Ministry of Forestry Environment from 2011-2015, and taking data on annual reports on manufacturing companies, in the annual report looking for stock returns from 2011-2015.
2. Sorting out the manufacturing sector companies from 2011-2015, then make a proper rating table from 2011-2015.
3. Sort out the stock returns of manufacturing sector companies from 2011 - 2015, Next create a table of stock return data from 2011-2015.
4. After all data have been collected, then using simple linear regression analysis techniques, according to Subagyo (2010: 252) simple linear regression consists of two variables. One variable in the form of a dependent variable is given the symbol Y and the second variable in the form of an independent variable is given the symbol X. In practice researchers rarely conduct analysis or calculation and coefficient testing manually, here the researcher uses a statistical application program namely SPSS. The general form of regression equation is expressed by mathematical equations namely,:

$$Y = a + bX + e$$

Where :

Y = Predictive value of the Y variable based on the value of Variable X

a = Y intercept; is the value for Y when X = 0.

b = Slope or slope or average change in y for each change from one unit X, either increase or decrease.

X = Variable X's chosen value S.

e = error

Testing the hypothesis to determine whether it is accepted or rejected and interesting hypothesis. To get the hypothesis testing the influence of environmental accounting disclosure is measured using (proper) on stock returns then it is seen in the simple linear regression table, According to Sugiyono (356: 2015) if the t test on environmental accounting disclosure variables is less than 0.05 then the environmental accounting disclosure hypothesis is on stock returns received or significant or vice versa.

## **RESULTS AND DISCUSSION**

Environmental accounting disclosures are measured using proper ranking on stock performance as measured using stock returns. It can be concluded that the data results that there is a significant influence between environmental accounting disclosures with stock returns. so this study produces the same results as previous research by Nurasi (2017 entitled "analysis of environmental accounting disclosures on financial performance and stock performance" The results of this hypothesis study indicate that there is a significant influence between environmental accounting disclosures on financial performance and stock performance. Utami (2007) examined "Empirical study of the relationship of environmental performance, financial performance and market performance. The results of the hypothesis show that there is a significant influence between financial performance and market performance and also the effect of the environment on market performance.

So it can be concluded that universally if the company gets proper ranking, and the ranking is included and informed in the annual report, then the annual report will automatically be seen by the

public who need it and this will affect the stock price increase in the company. Location of influence lies with the people who see and assess that this company has good value or good in managing environmental accounting disclosures. The more people who judge it well, the more opportunities people will have to make investments in companies that are good at managing their environment, from the events above, there will be a stage of rising share prices at the company. If the stock price starts to rise higher, then the company can feel the positive impact that the company has done in its efforts to involve the company in complying with environmental accounting disclosures that are measured using proper ranking and also need to know, that if disclosure of environmental accounting can be used as added value for companies that need in terms of the acquisition of environmental accounting. the conclusion from this study is that if the proper ranking is revealed it will affect stock returns. and that will get good impact

Proper is a company performance evaluation program in proper environmental management which is a program from the Ministry of Environment and Forestry. If a company is registered to join this program then the company will get a proper rating, there are five proper ratings (black, red, blue, green and gold.) Which means that a company that gets a black proper rating means that the company in overcoming its environmental accounting post is very poor. And if the company gets a gold value, then the company is already very concerned about overcoming its post items. While the stock returns that the researchers concluded were the level of results or results obtained in making short-term stock purchase transactions.

## CONCLUSION

This research uses mining sector companies in 2011-2015 as many as 26 companies are sampled. Environmental accounting disclosure is an independent variable (X) that is measured using proper ranking while stock performance is a Dependent variable (Y). And based on the results of data analysis processed in the SPSS Version 16 application, it can be concluded as follows: If a company is registered to join this program, then the company will get a proper rating, there are five proper ratings (black, red, blue, green, and gold.) Which means a company that gets a black proper rating means that the company in dealing with postal environmental accounting post is very bad. And if the company gets a gold value, then the company is already very concerned about overcoming its post items. While the stock returns that the researchers concluded were the level of results or results obtained in making short-term stock purchase transactions.

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