



Green Accounting Discourse as an Effort to Mitigate Climate Change Risk in Banks in Pandaan District

Herlinda Nia Audina

Master of Accounting Study Program, Faculty of Economics and Business

UPN "Veteran" of East Java

E-mail : herlindaniaa20@gmail.com

Sri Trisnarningsih

Master of Accounting Study Program, Faculty of Economics and Business

UPN "Veteran" of East Java

E-mail : trsina.ak@upnjatim.ac.id

Abstract : *In environmental conservation, accounting plays a crucial role undertaken by companies and other groups. This encompasses interests for public organizations and local companies by companies and other groups. Additionally, environmental accounting also contributes to enhancing effectiveness and productivity in environmental preservation activities by improving internal decision-making processes, such as pricing, controlling overhead costs, and capital budgeting. Qualitative research is utilized to understand and explore this phenomenon using triangulation methods to gather data from various different sources. The research findings indicate that limiting the use of oil-fueled vehicles in Indonesia could be an effort to control climate change, in line with the Paris Agreement, while renewable energy stands as an alternative to be utilized. The UNFCCC has endeavored to regulate the amount or effects of greenhouse gases to limit global temperature rise, with each country expected to set their national contributions to combat climate change. This effort is responded to through UN conferences and results in global agreements, including the Kyoto Protocol and the Paris Agreement, which are legally binding to limit global temperature rise.*

Keywords : *Green Accounting, Climate Change Risk , As a Mitigation Effort*

INTRODUCTION

The United Nations (UN) climate change framework convention and the World Climate Change Council (UNFCCC) claim climate change is human-induced climate change that alters natural climate variations and the structure of the global atmosphere within the same time span. According to Dewi and Fajarwati (2021). Climate change does not occur suddenly and lasts a long time, approximately fifty to one hundred years.

The Indonesian government ratified the Paris Agreement in 2016, which merged it with the United Nations Framework Convention on Climate Change on April 22, 2016 (Ghaniyyu & Husnita, 2021). Indonesia's temperature will increase by an average of 0.5°C to 3.92°C by 2100 compared to 1981-2010 conditions. This is due to its location, which is highly vulnerable to the impacts of climate change.

Indonesia is highly vulnerable to the impacts of climate change, as it is located in the tropics and consists of thousands of islands, floods, landslides, and tropical storms are the most frequent natural disasters in Indonesia (Marlina, 2022) (Sumampouw, 2019). These reductions are expected to impact key sectors of the economy, such as energy, transportation, construction, industry, agriculture, forestry, and waste management (Leontinus, 2022).

1.1 Tabel Kerusakan Lingkungan Kabupaten Pasuruan

No	Types of Environmental Damage	Environmental Damage Location
1	Air Pollution	Proyek Pembangunan Jalan Tol Gempol-Pandaan
2	Landslides	Desa Sebani, Kecamatan Pandaan, Kabupaten Pasuruan
3	Flood	Perempatan Taman Dayu hingga Jalan Bypass Pandaan.
4	River Water Waste	Dusun Tudan Prapen, Desa Kemirisewu, Kecamatan Pandaan
5	Plastic Waste	Desa Sumbergedang dan Desa Tawangrejo, Kecamatan Pandaan, Kabupaten Pasuruan

Sumber: Kabupaten Pasuruan (2023)

So that it can cause environmental problems and possible casualties. For example, the news written by Jawanto Arifin on Monday, February 15, 2021, quoted from Radar Bromo. Related to the case of river pollution in the Macanan neighborhood, Petungasri Village, Pandaan District, Pasuruan Regency, which resulted in changes in the color of the river at night and caused a pungent odor.

According to Indrawati & Rini (2018), environmental accounting includes environmental conservation by companies and other organizations, as well as public and local companies. Environmental management strategies are needed to oversee environmental maintenance costs and calculate environmental costs based on profits. Internal functions also improve the efficiency and effectiveness of environmental maintenance decisions. Environmental accounting also helps internal companies because it can provide reports on capital budgeting, overhead costs, price control, and management decisions about prices (Angreani, 2021).

By using green accounting, more relevant information about field conditions can be accessed. At the very least, the success of green accounting depends on the proper categorization of costs and the accuracy of accounting data by emphasizing socio-environmental effects. It is necessary to identify social environmental costs because it can help determine production costs and help businesses make more environmentally friendly products.

LITERATURE REVIEW

Green Accounting

According to (Sunarmin, 2020) green accounting functions as part of the company's environmental information system; monitoring environmental conservation costs and analyzing environmental costs based on benefits; and increasing the effectiveness and efficiency of environmental conservation activities related to decision making based on environmental cost analysis.

Indicator Green Accounting

According to May et al., (2023) The following are indicators related to green accounting: 1) Costs incurred to prevent waste or waste that can adversely affect the environment are called environmental prevention costs. 2) Costs incurred to ensure that the production flow process until it becomes a product meets environmental standards are known as environmental detection costs; 3) Internal environmental failure costs are costs caused by waste and garbage that are not disposed of to the external environment; 4) External environmental failure costs are costs for actions after the release of environmental waste or garbage.

Mitigasi Climate Change Risk

Based on the encouragement of the Intergovernmental Panel on Climate Change or IPCC, the United Nations (UN) stated that climate change caused by human activities is a major problem affecting the survival of humanity (Mahardika, 2020). Based on the realization that climate change is not a problem that can be solved by one government or country alone, the global community began discussing efforts to develop plans to prevent and solve this problem.

Climate change is a worldwide event characterized by increasing temperatures and changes in the distribution and amount of precipitation (Nugroho et al., 2019). Global warming impacts people's socioeconomic and ecological lives and has direct effects on ecosystem sustainability, biodiversity, food production, water supply, the spread of pests and plant diseases, and human pathogens.

RESEARCH METHODS

Systematic Literature Research and Review (SLR) is the method used to write this literature review essay. The method was qualitatively tested, and relevant information can be found in academic sources such as Mendeley and Google Scholar. A systematic literature review (SLR) is the process of finding, assessing, and analyzing research data to answer a specific question. In qualitative analysis, the literature review must conform to current methodological assumptions.

Library research uses literature searches to use various library sources, as stated by Zed in Melfianora (2019). Research data was collected using these sources. The sources of this research come from online news articles, scientific journals, and printed books that discuss learning evaluation to achieve academic goals in the era of independent education.

The author uses different methods to realize this text in order to get better results, the method used is a descriptive qualitative research method, where the research focuses on several problems that will be studied and analyzed more deeply. In this study the authors took the

location of 9 commercial banks located in Pandaan District, among others: 1) Bank BRI KCP Pandaan; 2) Bank Jatim KCP Pandaan; 3) BCA Bank KCP Pandaan; 4) Mandiri Bank KCP Pandaan; 5) Panin Bank KCP Pandaan; 6) Danamon Bank KCP Pandaan; 7) Bank BNI KCP Pandaan; 8) BPR Atha Taman Dayu; and 9) BPR Harta Swadiri.

The necessary data usually comes from field research. The purpose of this method is to improve the researcher's understanding of what was found 1) Data collection; 2) Data reduction; 3) Triangulation; and 4) Drawing conclusions, are all more detailed aspects of the study.

RESULT AND DISCUSSION

Research titled Reviewing the role of accountants in addressing climate change issues, according to Dewa Putra (2020), found that accountants can contribute more to climate change issues. This role requires accountants to incorporate climate change issues into their financial reports, so that people who use their financial reports can consider these issues when making decisions.

The buildup of carbon dioxide (CO₂) gas in the atmosphere is the cause of current climate change. The greenhouse effect occurs when heat absorbed by CO₂ is trapped between the atmosphere and the earth because CO₂ absorbs infrared from sunlight, resulting in the earth's temperature increasing. Overexploitation of nature by humans is one of the factors contributing to climate change (Csutora & Harangozo, 2016).

In addition to overconsumption, this exploitation also involves the use of cheap methods. For example, plantation clearing is often done by burning forests, which is cheaper than using heavy machinery to cut down trees and clear the land. Although forest clearing itself already releases CO₂, this method makes the situation worse because the CO₂ release is higher than the use of heavy machinery.

As stated by Nanik Niandari (2022) in her research entitled Green Accounting, Environmental Performance, and Profitability, associative methods and quantitative approaches were used. Research sample, a company listed on the Indonesia Stock Exchange, participated in the PROPER program of the Indonesian Ministry of Environment and Forestry from 2019 to 2021. The results showed that green accounting profitability is not affected by environmental performance.

It is very important for people to participate in the fight against global warming. Green consumerism is part of the global consumerism movement characterized by the public's

increased awareness of their right to obtain goods that are decent, safe and environmentally friendly.

CONCLUSIONS

To reduce the impact of climate change, the World Climate Change Commission (UNFCCC) seeks to regulate the amount or effect of greenhouse gases. From 1996 to 2015, the goal is to ensure that global temperatures will not increase by more than 1.5°C. Each country must establish a Nationally Determined Contribution (NDC) to combat climate change, either through adaptation or mitigation. Each country's national contribution must be delivered and maintained, even if it needs to be increased in the future. To respond to the ongoing climate change, the UN has held 21 Conferences of Parties (COPs). All parties can contribute to addressing climate change. During this process, two major outcomes of the World Climate Change Convention (UNFCCC) were the Kyoto Protocol and the Paris Agreement. The Paris Agreement, the most recent agreement on climate change, has been ratified into national law. Limiting global temperature rise are the two main conditions set out in the Paris Agreement.

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