APPLICATION OF GREEN ACCOUNTING: POTENTIAL PROFIT FROM WASTE UTILIZATION OF CHICKEN HOUSE BUSINESS

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Abstract

Environmental accounting, namely green accounting, is accounting for the cost of the environment and it is reported in financial statements. Its cost is recognized as the obligation of the company to the environment. This study aims to: a) calculate the company's profit by deducting revenue with cost including environmental costs, and b) estimate the amount of potential profit resulting from waste processing to produce products with economic value. The research was a case study by collecting data from a chicken house company (RPA) that Hajjah Ani in Makassar owned. Data collection such as estimated sales value and waste processing costs were collected through interviews and observations in this company and then compared with those estimated sales and environmental costs from several slaughterhouse companies around Makassar. Researchers calculated the estimated profit of three alternative processed products: fertilizer, food products, and animal feed. The results showed that each alternative product has different potential in increasing profits from the lowest level of 2% to the highest level of 25% which is compared to the previous profit.

Keywords: Green Accounting, Chicken Waste, Potential Profit

INTRODUCTION

The rapidly advancing technology is changing the civilization of life towards multiple serious crises. Human behavior that is not environmentally friendly has caused severe environmental damage such as waste disposal and excessive piles of garbage, causing a health and social crisis. Data from the Ministry of Environment and Forestry (KLHK) in 2021 shows that the amount of waste, especially in Makassar city, is 380 thousand tons/year, consisting of organic waste with a percentage of 58.42%, plastic waste 21.51%, paper/carton waste of 8.34%, glass waste of 2%, fabric waste of 2.90%, metal waste of 6.82% (Source: https://sipsn.menlhk.go.id).

According to (Renaldo et al., 2022), the impact of production waste can cause damage to the natural environment and the community environment, such as water pollution which can damage water quality, and health complaints from people living around the business environment. Business actors have a responsibility to the surrounding natural environment and responsibility to the community for the impacts generated by their company's operations. Business actors try to achieve profit goals while maintaining the quality of the external environment. For this reason, it is necessary to consider activities and costs that can reduce or prevent environmental damage in addition to production costs.

Green Accounting theory, proposed by Lako (Sadiku et al., 2021), is an approach to accounting that integrates environmental factors into conventional accounting processes. This approach emerged in response to the urgent need to measure, report, and understand the impact of economic activity on the natural environment. Furthermore, Green Accounting is not only limited to the calculation of traditional economic costs but also considers costs that are invisible but have a significant impact. For example, these include environmental impacts such as pollution, overuse of natural resources, and climate change.

Green Accounting theory considers the environment as an economic asset that needs to be safeguarded and preserved. A key concept in this theory is externalities, which are costs borne by society or the environment as a result of economic activity. Through continuous measurement, reporting, and analysis related to these environmental aspects, this theory aims to provide more comprehensive and relevant information for stakeholders in making more sustainable decisions.

The importance of Green Accounting Theory is highly visible in various economic sectors, especially in industries that have significant environmental impacts such as mining, energy production, and the agricultural sector. In addition, this theory also has implications in policy formulation when governments and regulatory bodies seek to encourage companies and organizations to adopt more sustainable practices.

Research with the title "Implementation of Green Accounting: Potential Profit from Business Waste Utilization of Chicken House" has significant relevance in the context of sustainable economic and environmental development. First, this research highlights an industry sector that is often not exposed in the context of Green Accounting, namely the chicken house industry (RPA). As the global population continues to grow, chicken meat production is also experiencing a significant increase, making it important to identify sustainable practices that can help reduce the industry's negative impact on the environment.

Furthermore, this study has benefits in promoting better waste management. In the chicken slaughterhouse industry, waste such as meat scraps, feathers, and blood can become a serious environmental problem if not managed properly. Through the application of Green Accounting, we can identify new ways to reduce waste and turn it into valuable resources. This can provide significant economic and environmental benefits by reducing pollution and the industry's contribution to environmental issues such as climate change.

Finally, this research encourages awareness about sustainability and social responsibility in business. By incorporating environmental aspects into accounting and business practices, companies can play a more proactive role in preserving the environment. This can improve the company's image, meet the demands of increasingly environmentally conscious consumers, and create new business opportunities. Therefore, this study has urgency in encouraging positive changes in the way companies operate, as well as providing guidance for business practitioners and policymakers on how to optimize profit potential through sustainable practices.

The empirical novelty in this study is the application of the Green Accounting concept in the context of chicken slaughterhouses, which is still minimally documented in the accounting literature. This research will explore empirical data that has not previously been widely available, including in terms of measuring the environmental impact of chicken

slaughterhouse waste and related financial data. The results of this empirical analysis are expected to provide new insights into the extent to which Green Accounting practices can generate economic benefits in this sector.

The theoretical novelty in this study lies in the application of the Green Accounting concept in the context of chicken slaughterhouses. Previously, the accounting literature has not covered the application of Green Accounting theory specifically to the livestock industry, especially in measuring environmental impacts and their financial implications. This research will enrich the literature by integrating Green Accounting theory into a less exposed business context, and in doing so, offer a more in-depth understanding of the potential gains that can be made from sustainable practices within this sector.

The methodological novelty in this study includes the incorporation of qualitative and quantitative approaches that have not been commonly used in the context of Green Accounting implementation in chicken slaughterhouses. We will combine surveys, interviews and document analysis to collect empirical data. The integration of environmental and financial data will enable this study to provide a more comprehensive view of Green Accounting practices and the potential profits that can be generated. This unique methodology is expected to provide guidance for further research in sustainable accounting.

The novelty of the context in this study is the focus on the chicken slaughterhouse industry, which has rarely been the subject of research in the context of Green Accounting. The livestock industry, especially chicken slaughterhouses, has unique characteristics that distinguish it from other sectors, such as the pattern of consumption of natural resources and the type of waste produced. Therefore, this research will provide valuable insights into how Green Accounting practices can be adapted to this specific context and the potential economic benefits that can be gained. As such, this research will provide greater insight into the application of Green Accounting in a previously under-explored context.

Sadiku et al. (2021) explains that a Green Accounting system should be dynamic, flexible, and structured so that it can be easily updated when new information becomes available. Green Accounting is geared towards reducing environmental pollution by encouraging companies to include costs related to environmental tasks in their financial statements. Companies that adopt Green Accounting focus on the concept of the "triple

bottom line," which is the people, planet, and profit aspects. Green accountants have an important role in advising their clients on the impact of business decisions on the environment. They seek to improve and prevent negative impacts on the environment, and help minimize waste. Sometimes, upgrading existing accounting software with Green Accounting features is all it takes to initiate positive changes in a company's practices.

The object of this research is a chicken slaughterhouse owned by Hajjah Ani in Makassar. This RPA operates a chicken slaughtering business and sells it as ready-to-process slaughtered chicken. Based on the interview with the owner, this RPA is able to sell chicken meat as much as 30,000 kg/day on average, or around 900,000 kg per month. The company has made an average profit of Rp. 25,000,000/month.

Waste generated from the slaughterhouse business is the result of slaughtering in the form of liquid waste and solid waste. The average liquid waste is 800 liters/month in the form of used chicken washing water, chicken blood, and fat deposits. Solid waste is 1,500 kg/month and includes feet, intestines, feathers, and chicken feces. Currently, the company only disposes of its waste, has no experience in processing its own waste into economic value, and does not also sell it to regular customers.

The aims of this study are a) to calculate the company's profit after integrating its environmental costs into the income statement, and b) to calculate the estimated profit from various alternative production of economically valuable products made from chicken slaughtering waste.

REVIEW OF LITERATURE

Green Accounting

Green accounting is an important concept in the field of environmental accounting and management. The study of green accounting continues to grow, with recent research by Sadiku et al., (2021) which highlights the impact and emphasizes that green accounting is an unavoidable trend, indicating an increasing relationship in contemporary accounting practices. Thus, the application of green accounting and sustainable development concepts aims to stimulate people's critical thinking and encourage interest in understanding sustainable development efforts (Iskandar et al., 2021). Research by Huynh & La, (2021)

highlights the importance of environmental managerial accounting as a key driver of performance in both environmental and economic terms. They assert that green accounting has a crucial role in achieving sustainable outcomes, strengthening the link between business practices and their impact on the environment.

The concept of green accounting involves incorporating environmental considerations into accounting practices, with the aim of recognizing, quantifying, measuring, and disclosing environmental contributions to business processes (Hendratno, 2016). In addition, the impact of green accounting implementation on organizational sustainability has been studied by highlighting the need for green accounting practices that encourage environmental sustainability (Islam & Rahman, 2022). The development of green accounting is triggered by regulatory pressures, public expectations of the environment, and organizational factors such as operations and waste management. By adopting green accounting practices according to regulations and paying attention to contextual influences, we can comprehensively understand the current state and practice of green accounting.

Profit Potential

The integration of environmental considerations into accounting practices has become a topic of increasing interest, as (Nugroho, 2023) explored the mediating effect of profitability on the effect of green accounting on firm value, indicating the relevance of incorporating environmental considerations into accounting practices. In addition, Maharani & Sudibijo (2023) mentioned that the impact of green accounting and environmental strategies on environmental performance, provides a more thorough insight into integrating environmental factors into accounting for performance assessment.

Research by Athira & Murtanto (2022), provides an explanation of the effect of net profit margin, debt to equity ratio, total asset turnover, and current ratio on profit growth, which explains financial indicators that can signal the company's profit potential. This can provide a broad understanding of the factors that influence earnings growth, which is expanded in the context of green accounting. In addition, in the context of financial performance and its relationship with environmental considerations, a study conducted by Pratika & Nurhayati (2022), studied profitability against earnings management, which provides insight into the interaction between finance and managerial decision-making. This

is relevant in highlighting the potential for earnings in the context of green accounting, where environmental and financial factors strongly intersect.

RESEARCH METHOD

This study was conducted by: (1) Identifying all relevant environmental costs, in this case including the costs of waste management to prevent environmental damage; (2) Integrating environmental costs into profit and loss calculations; (3) Developing calculations estimating potential profits for several alternative products made from chicken waste. Data on costs and sales of the main product were obtained through interviews with RPA business owners, while data on alternative by-products such as: selling prices and production costs of waste recycling were obtained from four other producers. The data on the waste handling or disposal process was obtained through observation at the RPA.

RESULTS AND DISCUSSION

Identification of Environmental Costs

RPA Bu Haji Aini's waste management and disposal activities include:

1) Cleaning of the business place area;
2) Construction of Wastewater Management Installation (WWTP) for the final disposal of especially liquid waste such as chicken washing water, chicken blood, and fat deposits; and
3) Transportation of waste to the final processing site (TPA).

Waste management activities incurring costs are presented in Table 1.

Table 1.
Waste Management Cost

No	Account Name	Amount (IDR)
1	Waste transportation cost	1.200.000
2	Waste packaging cost	1.464.000
3	IPAL construction cost	10.000.000

4	Electricity and water costs	1.200.000

Source: RPA Hj. Ani, data processed 2022

Integration of Environmental Costs into Profit and Loss Statement

Based on the data above, a green financial report can be prepared in the form of an income statement as follows:

Table 2.
Waste Management Cost

Financial Performance Report RPA Hj. Anni Period Ending 2021 (IDR)		
Sales		506.866.400
Cost of Goods Sold (BPP)		
Purchases	230.431.200	
Electricity, water, and gas	45.366.000	
Employee salary	42.000.000	
Lunch allowance	36.000.000	
Total BPP		- 353.797.200
Gross Profits		**153.069.200**
Operating Costs		
Fuel	36.000.000	
Driver's salary	54.000.000	
Maintenance and other costs	10.800.000	
Waste transportation cost	1.200.000	
Waste packaging cost	1.464.000	
IPAL construction cost	10.000.000	
Electricity and water costs	1.200.000	
Total operating cost		114.664.000
Company Profit		**38.405.200**

Source: RPA Hj. Ani, Data Processed 2022

Estimation of Profit Potential for Several Waste Treatment Alternatives

Solid wastes, such as chicken feet, intestines, feathers, and manure, and liquid wastes, such as chicken washing water, chicken blood, and fat deposits, if not treated properly, will cause health problems, such as upper respiratory tract diseases, diarrhea, worms, and skin diseases. Meanwhile, liquid waste can cause water pollution if flowed directly into the sewer

and also cause a pungent odor. One way to prevent this is by making a Waste Water Management Installation (IPAL).

One way to prevent pollution is to process solid waste from business products, such as food products such as feet, intestinal satay, fertilizer, fodder or sold to food producers or feed producers. Proper handling of waste will add value to the RPA. The following are some product alternatives and an estimate of the potential profit for the company. The proposed alternatives are:

1) Utilization of chicken manure waste into fertilizer,
2) Utilization of chicken manure waste into fertilizer as well as intestinal waste, and chicken feet into food products,
3) Utilization of chicken manure waste into fertilizer, intestinal waste, chicken feet into food products, and feather waste into animal feed.

Revenues and profits for the three alternatives above are as follows:

Alternative 1. Production of Fertilizer

If the RPA only processes chicken manure into fertilizer, it will not reduce the amount of waste handling costs. This is because other wastes besides chicken manure still burden the company. Instead, there will be additional costs to produce the fertilizer, namely additional equipment, such as buckets and shovels, labor costs for drying activities, and packaging. However, the selling price promises a potential profit. The following is the calculation of potential profits from the first alternative presented in Table 3.

Table 3.
Estimation of RPA Profit Potential and Side Products (Fertilizer)

Green Financial Performance Estimation Report RPA Hj. Ani Period Ending 2021 (IDR)		
Main Product Sales	506.866.400	
Fertilizer Sales	1.800.000	
Total Sales		**508.666.400**
Cost of Goods Sold (BPP)		
Purchases	230.431.200	
Electricity, water, and gas	45.366.000	
Employee salary	42.000.000	
Lunch allowance	36.000.000	

Main Product BPP		- 353.797.200
Workers' Employment	900.000	
Plastic Bag	12.000	
Side Product BPP		-912.000
Gross Profits		**153.957.200**
Operating Costs		
Fuel	36.000.000	
Driver's salary	54.000.000	
Maintenance and other costs	10.800.000	
Depreciation of equipment	67.500	
Waste transportation cost	1.200.000	
Waste packaging cost	1.464.000	
IPAL construction cost	10.000.000	
Electricity and water costs	1.200.000	
Total operating cost		-114.731.500
Company Profit		**39.225.700**

Source: Usaha Pupuk Kandang-Binaan Unhas, 2022

Based on the results of the profit estimation calculation in Table 3, it can be concluded that the potential increase in profit from processing chicken manure waste into fertilizer is in the range of 2% above the previous profit.

Alternative 2. Production of Manure and Food Made from Chicken Intestines and Feet

In this second alternative, there are savings in transportation costs and waste packaging costs. On the other hand, new costs are incurred related to the needs of the two side-production processes. The following is the calculation of potential profit from the second alternative presented in Table 4.

Table 4.
Estimation of RPA Profit Potential and Side Products (Fertilizer and Food Products)

Green Financial Performance Estimation Report RPA Hj. Ani Period Ending 2021 (IDR)		
Main Product Sales		506.866.400
Fertilizer Sales	1.800.000	
Chicken Feet Dish Sales	106.920.000	
Intestine Satay Sales	8.640.000	
Sales of Side Products		117.360,000
Total Sales		**624.226.400**

Cost of Goods Sold (BPP)		
Purchases	230.431.200	
Electricity, water, and gas	45.366.000	
Employee salary	42.000.000	
Lunch allowance	36.000.000	
Main Product BPP		-353.797.200
Workers' Employment	9.300.000	
Ingredients	12.000	
Seasonings	2.280.000	
Styrofoam	3.132.000	
Fried oil	2.774.400	
Gas	2.160.000	
Plastic spoon	501.000	
Side Product BPP		-20.159.400
Gross Profits		**250.269.800**
Operating Costs		
Fuel	36.000.000	
Driver's salary	54.000.000	
Maintenance and other costs	10.800.000	
Carts	900.000	
Depreciation of equipment	1.483.500	
Waste transportation cost	400.000	
Waste packaging cost	488.000	
IPAL construction cost	10.000.000	
Electricity and water costs	1.200.000	
Total operating cost		- 115.271.500
Company Profit		**134.998.300**

Source: Usaha Pupuk Kandang-Binaan Unhas, Produsen Makanan Sate Usus Vina, Ceker Setan, 2022

The worker is the operational force that performs activities, such as drying chicken fertilizer, making chicken feet, and making intestine satay. Equipment is used in making fertilizer and cooking utensils. Based on the calculation results in Table 4, it can be estimated that the potential increase in profit is 252% of the previous profit.

Alternative 3. Production of Three Types (Fertilizer, Food Products, and Animal Feed)

Utilizing waste by producing three types of products at once can eliminate waste transportation costs and packaging costs. However, there is an increase in the cost of the animal feed production process, especially in the depreciation of equipment such as grinding

machines and oven machines. The following is the calculation of potential profit from the third alternative in Table 5.

Table 5.
Estimation of RPA Profit Potential and Side Products (Fertilizer, Food Products, and Animal Feed)

Green Financial Performance Estimation Report RPA Hj. Ani Period Ending 2021 (IDR)		
Main Product Sales		506.866.400
Fertilizer Sales	1.800.000	
Chicken Feet Dish Sales	106.920.000	
Intestine Satay Sales	8.640.000	
Animal Feed Sales	7.560	
Sales of Side Products		117.367.560
Total Sales		**624.233.960**
Cost of Goods Sold (BPP)		
Purchases	230.431.200	
Electricity, water, and gas	45.366.000	
Employee salary	42.000.000	
Lunch allowance	36.000.000	
Main Product BPP		-353.797.200
Workers' Employment	10.260.000	
Ingredients	12.000	
Seasonings	2.280.000	
Styrofoam	3.132.000	
Fried oil	2.774.400	
Gas	2.160.000	
Plastic spoon	501.000	
Side Product BPP		-21.119.400
Gross Profits		**249.317.360**
Operating Costs		
Fuel	36.000.000	
Driver's salary	54.000.000	
Maintenance and other costs	15.800.000	
Carts	900.000	
Tarpaulin	10.000	
Depreciation of equipment	1.483.500	
Waste transportation cost	-	

Waste packaging cost	-	
IPAL construction cost	10.000.000	
Electricity and water costs	1.200.000	
Total operating cost		-119.393.500
Company Profit		**129.923.860**

Source: Usaha Pupuk Kandang-Binaan Unhas, Produsen Makanan Sate Usus Vina, Ceker Setan, UD. Mukmin, 2022

From the calculation results in Table 5, it can be estimated that the potential increase in profits from processing chicken manure waste into fertilizer, chicken intestines and feet into food products, and chicken feathers into animal feed can reach 12% of previous profits.

Identification of Environmental Costs

Identifying the environmental costs associated with cleaning the premises has benefits in resource use efficiency by enabling companies to understand the consumption of water, energy, and other cleaning materials involved in the cleaning process. With a good understanding, companies can identify opportunities to improve resource use efficiency and adopt greener cleaning practices. Furthermore, it also enables companies to assess the environmental impact of the cleaning process, including chemical usage and waste generation. In this regard, the identification of cleaning costs can help companies ensure that their cleaning activities comply with applicable environmental regulations (Justita & Riyanto, 2022). In terms of function, companies can allocate resources more efficiently to support sustainable cleaning practices, as well as an environmental performance monitoring tool, which allows companies to measure the impact of cleaning on the environment over time (Purnamawati, 2018). Through the identification of IPAL costs, companies can understand the environmental impacts arising from wastewater management (Gola et al., 2022). This provides important insights into the environmental impact assessment of company operations. This identification also plays a role in the assessment of operational sustainability, allowing companies to evaluate efficiency in liquid waste management and look for opportunities for improvement (Bartelmus & Seifert, 2018). While the function of identifying IPAL costs, can make more effective planning and budgeting in the manufacture and operation of IPAL, and companies can allocate resources optimally. In addition, the identification of IPAL costs also serves as an environmental performance monitoring tool,

allowing companies to continuously measure the effectiveness of waste management efforts and achieve predetermined sustainability targets (Petta Lolo et al., 2020).

The identification of environmental costs related to the transportation of waste to landfills is a critical stage in the implementation of green accounting. Through the identification of these costs, companies can understand the environmental impacts caused by waste transportation activities, including the evaluation of energy costs, greenhouse gas emissions, and other impacts along the waste supply chain (Wenni Anggita et al., 2022). The identification of these costs can contribute to the assessment of the sustainability of company operations, enabling the evaluation of waste management efficiency and the identification of improvement opportunities (Dewi & Maryanti, 2018). In terms of function, it can allocate resources more optimally for waste transportation, including investment in more environmentally friendly transportation technologies, as well as an environmental performance monitoring tool, where the identification of waste transportation costs becomes a critical indicator to measure the effectiveness of efforts to reduce environmental impacts and achieve sustainability goals (Agnes, 2023).

Integration of Environmental Costs into Profit and Loss Calculation

Integration of environmental costs into profit and loss calculations is a strategy that can have a positive impact on business sustainability. Integration can be done at various stages of a company's expenses and can contribute to reducing the tax burden (Sovacool et al., 2019). In general, environmental costs can be included in the profit and loss account as part of production or operating costs or can be recognized as part of investments in sustainable assets. Including environmental costs in the income statement brings the benefit of better monitoring and evaluation of the environmental impact of business activities. Expenditures on clean technology, waste management, or renewable energy sources can be considered long-term investments that contribute to the sustainability of company operations (Wiranti, 2023).

Integration of environmental costs into profit and loss calculations helps create internal incentives for companies to adopt sustainable practices. By transparently including environment-related costs, management can understand the real contribution of business activities to environmental impacts and design more effective strategies to reduce the

ecological footprint (Astawa et al., 2018). In providing financial benefits through a potential reduction in tax burden. Some jurisdictions offer fiscal incentives for companies that can demonstrate good environmental performance or make investments in technologies and practices that support sustainability (Nengsih et al., 2022). By taking advantage of these incentives, companies not only support environmental efforts but also optimize their cost structure.

Estimation of Profit Potential for Several Sewage Treatment Alternatives

Alternative 1: Estimation of potential profit for the alternative of processing chicken manure waste into fertilizer.

This estimate can improve waste management efficiency, reduce waste disposal costs, and minimize negative environmental impacts. By diverting chicken manure waste into valuable products such as manure, the company can create an additional source of revenue from waste recycling (Agnes, 2023). It can also provide long-term benefits through diversification of income and the creation of added value from resources previously considered as waste. If the estimated profit potential shows an increase of more than 5%, this indicates that the waste treatment alternative has the potential to increase the company's profitability. This profit can be used for investment (Rizal & Mimin Yatminiwati, 2020).

Alternative 2: Processing of chicken manure, intestinal waste, and chicken feet into manure and food products

In this alternative, the conversion of waste into value-added products not only provides financial benefits but also supports sustainable business practices. Diversification of income from food products and manure creates business resilience by reducing dependency on a single source of income (Wiranti, 2023). In addition, sustainable waste management reflects the company's commitment to environmental sustainability, which can improve the company's image in the eyes of consumers and stakeholders. While the estimated profit potential of 252% is attractive, companies should conduct a thorough analysis to ensure financial viability, given operational costs, initial investment, market demand and regulatory compliance (Dewi & Maryanti, 2018).

Alternative 3: Processing chicken manure, gut waste, chicken feet, and feather waste into fertilizer, food products, and animal feed

This alternative not only creates product diversification, but also implies operational efficiency benefits and optimal utilization of resources. Involving various chicken wastes in the production of manure, food products and animal feed can expand income opportunities and reduce dependence on a single product line (Purnamawati, 2018). This strategy creates added value from waste that was previously considered a problem, supports business sustainability principles and improves the company's image. While the potential 12% increase in profit seems promising, the financial viability of the project requires more in-depth analysis (Bartelmus & Seifert, 2018).

However, it should be noted that the estimated profit potential should be supported by a careful analysis of operating costs, initial investment, and other aspects that may affect the profit calculation. In addition, factors such as operational costs, initial investment, market demand, and business risks may affect the success and profitability of the sewage treatment alternatives. In this regard, it is important to conduct a comprehensive analysis and consider all relevant variables before making strategic decisions regarding sewage treatment. The implementation of sustainable alternatives can create added value financially while supporting environmentally friendly business practices.

CONCLUSION

Through the application of Green Accounting in chicken slaughterhouses, it can open up new opportunities in managing its waste effectively, which can increase the company's profits. The identification of environmental costs provides a better understanding of the environmental impact of business activities, while the integration of environmental costs into the profit and loss calculation creates a more comprehensive picture of the company's financial performance, providing an internal incentive to adopt sustainable practices.

Through estimating the profit potential for several effluent treatment alternatives, companies can identify the most financially beneficial solution. There are three alternatives in waste treatment namely 1) processing chicken manure into fertilizer, 2) Processing chicken manure, gut waste and chicken feet into fertilizer and food products, and 3) Processing

chicken manure, intestinal waste, chicken feet, and feather waste into fertilizer, food products and animal feed.

The first alternative, processing chicken manure into manure, shows a potential increase in profit of about 2%, thus contributing significantly to operational sustainability. The second alternative, involving the processing of chicken manure, intestinal waste, and chicken feet into manure and food products, which provides an increase in profit of about 252%, can create income diversification and added value from the waste generated. The third alternative, which involves processing all chicken waste into manure, food products, and animal feed, can potentially increase profits by about 12%, indicating a comprehensive approach to waste management and value-added production.

Therefore, the application of Environmental Accounting (Green Accounting) provides a strategic step for companies to optimize their waste management. By choosing waste treatment alternatives that comply with sustainable principles, companies can not only achieve operational efficiency but can also increase profits by utilizing the economic potential of the waste generated. This initiative not only supports financial growth but also reflects a commitment to environmentally friendly and sustainable business practices.

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