

# CHAPTER I

## INTRODUCTION

### 1.1 Background

In the current era of globalization, environmental degradation has emerged as a primary concern globally, including in Indonesia. This issue has led to the establishment of the Environmental Pollution Control Association on December 10, 2008. Efforts toward the protection and preservation of the environment have received support from the Indonesian government through the enactment of Law Number 32 of 2009 concerning Environmental Protection and Management and Law Number 25 of 2007 concerning Investment. These regulations provide a clear legal framework for companies to consider the environmental impact of their surroundings.

Governments and corporations, including profit-oriented institutions like hospitals, need to prioritize environmental protection and reducing the impact of environmental degradation and pollution. Hospitals, as providers of comprehensive healthcare services encompassing inpatient, outpatient, and emergency care, can significantly impact the environment due to the hazardous and toxic waste generated from their operational activities, particularly General Hospitals (Shapiro et al., 2000). The generated waste ranges from liquid waste to solid medical and non-medical waste, as well as gaseous waste. In this context, it is expected that hospitals, as healthcare institutions, bear the responsibility to prevent or minimize their negative impact on the environment and the surrounding community (Khoirina, 2016).

From the statement above, it is necessary to manage hospital waste as well as possible to prevent it from endangering the surrounding environment, especially since waste from hospitals can potentially transmit disease. Not only for the survival of the Hospital itself but also for the survival of the creatures around it, be it plants, animals, and humans.

With this basis, the researcher aims to highlight environmental accounting issues in a study that will evaluate how environmental accounting is implemented in a company or entity with significant potential for production waste, particularly within the context of hospitals as providers of healthcare services to the community. The researcher chose the object of the Hospital in Padang City because the Hospital produces various kinds of hazardous waste by being near residential areas and the campus. Therefore, this research will be conducted in the form of a thesis entitled **"Analysis of the Application of Environmental Accounting in Waste Management in Hospitals in the city of Padang (Case Study of Naili DBS Hospital and Andalas University Hospital)"**

## **1.2 Problem Formulation**

Based on the background above, the formulation of the problems raised in this study are as follows:

1. How is the waste treatment process carried out at the hospitals in Padang City?
2. How does environmental accounting application in waste management at hospitals in Padang City?

### **1.3 Research Objectives**

From the formulation of the problem mentioned above, this study has research objectives, namely:

1. To find out the waste treatment process carried out at hospitals in the city of Padang.
2. To find out how the application of environmental accounting in waste management at hospitals in the city of Padang.

### **1.4 Research Benefits**

The benefits of this research are divided into two, namely theoretical benefits and practical benefits.

#### **1.4.1 Theoretical Benefits**

Theoretically, this research is expected to increase knowledge and be helpful for the company's progress, especially in terms of concern and responsibility for the environment.

#### **1.4.2 Practical Benefits**

For universities and companies, the research carried out can be used as literature and insight into environmental accounting so that it can become an implementation for making policies on companies so that they apply environmental accounting properly.