

ABSTRACT

Sustainability is crucial for industries facing environmental and regulatory challenges. For small and medium enterprises (SMEs) like PT. Sinar Obor, a leather manufacturing company in Yogyakarta, Indonesia, toxic waste management is vital to balancing ecological responsibility and financial performance. This study examines how sustainable waste management practices affect financial health, operational efficiency, and regulatory compliance, using the Triple Bottom Line (TBL) framework as a guiding principle.

Key strategies adopted by PT. Sinar Obor include chromium removal via chemical precipitation, waste-to-energy conversion, and resource recovery partnerships. These initiatives have reduced waste disposal costs, improved resource utilization, and minimized environmental harm. Notably, these efforts align with local regulations, such as Perda DIY No. 7 Tahun 2016, ensuring compliance while enhancing the company's reputation and market competitiveness. Financial analysis reveals improvements in operating profit margins and asset efficiency, demonstrating that sustainability can support profitability and long-term resilience.

This research contributes to the sustainability literature by addressing the unique challenges faced by SMEs in developing economies. It offers a replicable model for integrating environmental goals with financial objectives, emphasizing incremental advancements, collaboration, and innovation. Policymakers and SMEs can draw actionable insights from this study to foster sustainable practices without compromising economic viability.

Keywords: sustainability, toxic waste management, SMEs, Triple Bottom Line, financial performance, regulatory compliance, leather manufacturing, developing economies, resource recovery, operational efficiency