

ABSTRACT

The ceramic industry is one of the important pillars of the Indonesian economy, especially in supporting the growth of the property and infrastructure sectors. However, behind its large contribution, this industry also faces significant environmental challenges, such as carbon emissions from combustion, production waste, and high exploitation of natural resources. Along with the increasing global demand for sustainable business practices, companies are now encouraged to implement strategies that not only improve operational efficiency but also reduce negative impacts on the environment. In this context, the implementation of Green Supply Chain Management (GSCM) is a crucial solution to achieve a balance between Operational performance and environmental sustainability.

This study analyzes the effect of GSCM on environmental and Operational performance at PT. Muliakeramik Indahraya. GSCM integrates environmentally friendly principles into all stages of the supply chain, from raw material procurement to product distribution. The quantitative method was used by distributing questionnaires to 72 internal respondents of the company.

The quantitative research methodology and obtaining data results from distributing questionnaires to internal palm oil companies with a total sample of 72 respondents. Statistical data processing uses PLSSEM with SmartPLS software to test the hypothesis.

The results showed that stakeholder pressure drives GSCM implementation. Practices such as internal environmental management, green procurement, eco-design, waste recycling, and green information systems have been shown to improve environmental performance through reduced emissions, better waste management, and resource efficiency. In addition, GSCM also has a positive impact on Operational performance, such as cost efficiency, increased sales, and profitability.

Conclusion, this study recommends management commitment and cross-departmental collaboration to strengthen GSCM integration. Employee training, collaboration with suppliers, and adoption of green information technology are important steps. These findings can be a reference for the ceramic industry and other manufacturing in developing sustainable strategies that support green development goals.

Keywords: *Green Supply Chain Management, environmental performance, Operational performance, ceramic industry, SEM-PLS*