Chapter 6

Green Accounting in the Tourism Sector and Examples of Its Application[1]

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Abstract

Green accounting can be defined as the process of identifying, measuring and reporting the environmental costs undertaken by businesses to minimise the damage they cause to the environment as a result of their activities and to protect the environment. The present study aims to explore the importance and impact of green accounting practices within the tourism industry, where such practices are becoming increasingly critical for achieving environmental sustainability goals. Accordingly, the study initially focuses on the fundamental tenets of green accounting, including the identification and reporting of environmental costs, and subsequently incorporates the accounting records of green accounting practices. The implementation of green accounting practices within the tourism sector is recognised as an important strategy for achieving environmental sustainability goals. The integration of green accounting practices within business enterprises has the potential to yield favourable outcomes from both an environmental and an economic perspective. Ultimately, this study serves to guide businesses in the tourism sector in the implementation and development of green accounting practices.

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1. Introduction

Green accounting is the process of identifying, measuring, and reporting environmental costs that businesses incur to minimise and prevent environmental damage. In the literature, green accounting is also called environmental accounting, ecological accounting, environmental responsibility accounting, eco-accounting, and integrated accounting.

Green accounting functions as a system designed to calculate costs and evaluate ecological benefits. It provides managers with critical data necessary for assessing, operating, controlling, making decisions, reporting, and ensuring environmental protection. Historically, companies were reluctant to disclose environmental damages in their financial statements; however, increasing environmental degradation and societal expectations compelled organisations to address these issues. Identifying environmental costs related to a company's products is now essential for effective management decisions. The application of environmental accounting has also expanded into domains such as cost analysis, investment evaluations, and strategic planning. Today, as many businesses face ecological challenges, they seek effective ways to report and disclose information transparently to the public while using this data to enhance environmental protection efforts. Consequently, environmental accounting has emerged as a significant tool in efforts to safeguard the environment (Rounaghi, 2019: 507).

Organisations that prioritise green trends and foster environmental awareness as part of their business strategies are often seen as visionary pioneers. Contemporary challenges highlight the need to incorporate green principles into corporate philosophies. In the 1980s, heightened awareness of environmental degradation's effects on economies and societies emerged, mainly from disasters caused by profit-driven decisions. In response, corporate self-regulation became prominent, providing a framework for modern businesses to advance sustainability. By integrating environmental considerations into policies, companies seek to align with sustainable development goals and ensure long-term viability (Novovic-Buric et al., 2022: 1).

The tourism industry is one of the sectors where green accounting practices are most important, primarily due to its close relationship with the environment. The rise of tourism as a key global industry signifies a significant transition in economic activity worldwide. While tourism development is often perceived as a means to enhance socio-economic prosperity, the poor management of this growth may lead to tourists favouring competing destinations or attractions. Consequently, the industry is increasingly oriented toward creating tourism

products with a sustainable approach, ensuring they align with and preserve the local ecosystems (Pertama et al., 2022: 28-29).

It has been observed that the spread of green accounting practices within the tourism sector not only increases the environmental performance of enterprises but also improves the quality of sustainability reporting. This study aims to provide a comprehensive guide for tourism businesses in the adoption and refinement of green accounting systems. The study is structured as follows: after the introduction part of the study, the second section describes the definition and evolutionary stages of green accounting. The third section provides a literature review, and the fourth section explores the importance of green accounting in the tourism sector and categorises environmental costs. In the fifth section, accounting records of sample green accounting practices in the tourism sector are shown, and the final section offers concluding remarks and synthesis.

2. Definition and Importance of Green Accounting

In recent years, the adverse impacts of both intentional and unintentional human activities on nature have compelled businesses to acknowledge nature as a stakeholder within their social responsibility frameworks, largely due to the influence of climate change. It has become evident that business management is increasingly prioritising environmental considerations, including initiatives to protect nature, energy production and consumption, carbon emissions, and concerns regarding soil, water, and air pollution (Yelgen, 2022: 100).

Various disciplines of science are collaborating to find solutions to global environmental problems and improve environmental quality. Accounting discipline remains integral to all these changes. Thus, accounting scholars have introduced the concept of "Environmental Accounting" to the academic agenda to address ecological problems (Kırlıoğlu and Can, 1998: 15). Green accounting practices have emerged as a requirement of the concept of social responsibility, which is one of the Generally Accepted Accounting Principles.

Green accounting is a branch of accounting that integrates environmental costs into the financial outcomes of business activities, alongside traditional production costs (Yelgen, 2002: 100). The concept of green accounting, often termed environmental accounting, is widely discussed within the fields of accounting and environmental management. Environmental accounting encompasses a broader scope, emphasising the delivery of information about an organisation's environmental performance to both internal and external stakeholders (Saremi and Moeinnezhad, 2014: 1). The goal of green accounting at the institutional level is to facilitate environmental improvement efforts,

contribute to cost minimisation, and document environmental impacts (Ergin and Okutmuş, 2007: 147).

Upon examining the development process of environmental accounting, it is observed that environmental studies initially began in Norway in the 1970s. Then, as a consequence of the oil crisis in 1977, environmental accounting garnered the attention of the Danish government and energy reserves, and savings accounts were brought to the policy agenda. The term environmental accounting was first introduced by Professor Peter Wood in the 1980s (Andi et al., 2020: 62; Yelgen, 2002: 102).

France established an accounting system to assess fluctuations in natural resources. Subsequently, the International Accounting Standards Committee (IASC) formulated concepts regarding international accounting principles, including the development of environmental accounting and human rights audits. The Japanese Environment Agency issued an environmental accounting guideline in May 2000, which was further refined and utilised by all businesses in Japan to implement environmental accounting in 2002 and 2005 (Andi et al., 2020: 62-63; Yelgen, 2002: 102).

As the industry evolves over time, enterprises and organisations facing environmental pollution have increasingly recognised the importance of having a clean environment and clean resources, thereby leading them to intensify their environmental efforts. Prominent organisations working on Green Accounting, also known as Environmental Accounting, include The Institute of Chartered Accountants of Scotland, Dundee University (Scotland) Accountancy and Business Finance, British Accounting Association Special Interest Group, and The Canadian Institute of Chartered Accountants (CICA) (Gökdeniz, 1996: 22).

Upon examining today's challenges, it is observed that rapid industrial advancements have led to various environmental issues, including water, air, and soil pollution caused by chemical and nuclear waste, biodiversity loss, and the exacerbation of climate change. These issues are increasingly becoming widespread on local, regional, national, and global scales, thereby heightening awareness of the environment's critical role in our lives. This growing awareness has compelled corporations, governments, and the public to take proactive measures to protect the environment. In recent years, environmental accountability has emerged as a core dimension of social responsibility, serving as an essential framework for achieving sustainable development. To ensure the sustainable use of natural resources, the adoption of green accounting practices is encouraged in businesses (Zrnić et al., 2020: 49; Yelgen, 2022: 102). Through the implementation of green accounting practices, data can

be obtained about the extent to which a business contributes positively or negatively to the quality of human life and the environment (Endiana et al., 2020: 732).

In 1992, at the UN Conference on Environment and Development held in Rio, the principle of "protecting the environment in achieving sustainable development" was adopted according to Article 4 of the Rio Declaration on Environment and Development; consequently, it became imperative for businesses to determine the environmental dimensions of their activities and minimise their negative impacts on the environment, thus sustainable development was aimed across all environmentally-related domains (Özerhan and Sultanoğlu, 2018: 58).

Environmental issues represent an important sub-heading of the sustainability report. In sustainability reports, businesses seek to strengthen their brand image by sharing their economic, environmental and corporate achievements with the public. How sensitive an enterprise is to the environment, including its suppliers, environmental policies and protection measures are presented both qualitatively and quantitatively in this report (Özerhan and Sultanoğlu, 2018: 56). Hence, businesses gain the sympathy of the public through such transparency.

The effective implementation of green accounting enhances environmental performance, optimises cost management, promotes the adoption of eco-friendly technologies, and supports the production of environmentally sustainable goods. Green accounting proves to be highly advantageous as it addresses costs associated with improved environmental management, integrates environmentally conscious business strategies, ensures a more precise calculation of production costs, and identifies opportunities to minimise environmental expenses. As sustainable development becomes a central focus across diverse fields, the economy prioritises it as a key consideration for future growth (Dewi, 2024: 2765).

3. Literature Review

In the literature, extensive research has been carried out on green accounting, encompassing both theoretical perspectives and practical applications. Notable examples of these studies include:

Gökdeniz (1996) provided comprehensive insights into green accounting and offered recommendations on the role of accountants in environmental management.

Chan and Lam (2001) explored green costs related to water consumption in the hotel and hospitality sector in Hong Kong. In green cost accounting, the abatement cost approach and a proportional model were employed. The study analysed the energy consumption of 20 hotels over the period 1994–1996 and applied green costing to the main areas of water usage in hotel facilities. Additionally, implications for green reporting at both the facility and industry levels were discussed.

Aslanertik and Özgen (2007) highlighted the significance of environmental accounting specifically within the context of hotel businesses.

Chung and Parker (2010) observed a significant gap in the literature regarding environmental reporting and social responsibility. They emphasised that environmental reporting and environmental management in the tourism sector were areas that required further investigation.

Büyükipekçi (2014) investigated the current state of accounting in tourism, highlighting the perspectives and practices related to the natural environment within the framework of social responsibility in accommodation services. These services are mostly preferred by tourists when selecting holiday destinations and are central to tourism-related activities.

Sarami and Moeinnezhad (2014) examined the role of environmental accounting in businesses, addressing its significance, cost allocation mechanisms, implementation process, and the requirements for its application.

Dalğar and Yıldırım (2016) explored the application of environmental accounting in hospitality businesses, providing insights into the proper methodologies for recording environmental costs in these entities.

Antepli and Aslan (2018) analysed environmental accounting and its objectives, environmental costs, as well as reporting and auditing practices in environmental accounting. They showed practical applications for identifying environmental costs through a case study centred on a marble enterprise.

Ekergil and Savaş (2019) conducted a study on the application of green accounting in hospitals, concentrating on the classification of environmental costs.

Rounaghi (2019) argued that green accounting should be conceptualised as a subcategory of environmental accounting. He further suggested that it would be beneficial to evaluate green accounting within the frameworks of income accounting, financial accounting, and management accounting. The study additionally outlined the potential benefits that green accounting practices could offer to corporations.

Abdul Rahman et al. (2020) conducted a survey involving 148 employees from the six largest manufacturing companies in Bahrain. The analysis revealed that implementing environmental management accounting reinforces sustainable competitive advantages.

Rahman et al. (2021) undertook research on the adoption of environmental accounting and management approaches in Bangladesh. Their findings proved that implementing environmental accounting practices provides businesses with substantial cost advantages.

Novovic Buric et al. (2022) examined the extent of tourism companies' comprehension regarding the implementation of the green concept, specifically from the perspective of socially responsible business practices.

Yelgen (2022) investigated environmental accounting practices in a textile company, focusing on identifying environmental costs and exploring methodologies for recording these expenditures within the Green Accounting framework.

Açık Taşar (2023) reviewed postgraduate theses on green accounting published between 2014 and 2023. The analysis revealed that female researchers have demonstrated a heightened interest in this topic, and most of the theses during this period employed quantitative methodologies.

Dewi (2024) assessed the implementation of green accounting and environmental issues within the context of sustainable development.

4. Relationship Between Tourism Sector and Green Accounting

4.1 Tourism Enterprises

The natural environment constitutes an indispensable resource for the development and continuity of activities in the tourism sector (Lim and McAleer, 2005: 1432). Economic and technological developments, industrialisation, and demographic growth have led to the emergence of diverse environmental problems. As environmental problems have intensified, hotel enterprises which rely heavily on natural, cultural, and environmental resources have increasingly adopted environmentally sensitive management approaches in order to fulfil their corporate social responsibilities and address the needs and expectations of environmentally conscious consumers (Çilingir and Erkılıç, 2021: 218). Within the framework of green management initiatives, the "Green Star" certification, which aims to foster environmental awareness among hotel enterprises, promote environmental protection, and encourage

the establishment of environmentally responsible facilities, has attracted considerable interest (Mesci, 2014: 95; Çilingir and Erkılıç, 2021: 222).

The Green Star is a certification program introduced in 2018 by the Ministry of Culture and Tourism of the Republic of Türkiye, designed to ensure that hotels maintain environmentally responsible operations at every stage, from initial construction to routine daily activities (Giritlioğlu and Güzel, 2015: 890–891). The Green Star program plays a significant role in fostering a sustainable environment and in transferring natural, historical, and socio-cultural assets to future generations (Kızılırmak, 2011: 4; Çilingir and Erkılıç, 2021: 222–223).

Growing awareness of ecological issues has precipitated important developments in environmentally friendly management practices and environmental accounting. Through the benefits provided by environmental accounting, the negative impacts on the environment can be effectively minimised. Thus, environmental accounting practices are of paramount importance for accommodation facilities and other enterprises in achieving a sustainable future (Büyükipekçi and Şimşek, 2018: 337).

The primary capital of the tourism industry is the natural environment. Thus, tourism businesses' attention to environmental protection activities constitutes, in a sense, a strategic investment in their future. Within the tourism sector, hotel operations should prioritise environmental accounting practices, as they have greater importance due to both fixed capital investments and the central role of environmental attractions in their operations (Aslanertik and Özgen, 2007: 164).

The financial data obtained via environmental accounting involves many elements that directly or indirectly pertain to commercial, manufacturing, and service-oriented enterprises. Among these types of enterprises, hotel businesses specifically require the insights generated by environmental accounting in order to ensure service quality and the sustainability of the natural resources required for the future. In this sense, the following practices may be listed in order to determine the level of environmental sensitivity of such enterprises (Aktürk et al., 2011: 89):

- Prioritising the rational and efficient use of raw materials, specifically water and energy
- Emphasising the improvement of waste management policies and the reduction of both the economic value and volume of waste
- Ensuring better environmental compatibility in logistics optimisations and purchasing policies

- Giving priority to the implementation of environmental improvement measures
- Doing activities to raise awareness of the importance of environmental issues among all stakeholders.

In accommodation enterprises, quantitative reports typically focus on finance and marketing. Information related to environmental performance is frequently omitted from these numerical reports. Therefore, environmental costs should be calculated and categorised as environmental expenses in management reports. Tourism organisations and hotel associations further recommend that the environmental costs of accommodation enterprises be included in statistical reports. Just as hotel occupancy rates and average room prices are reflected in tourism statistics, environmental costs should likewise be presented in such quantitative reports. Categorising these costs under separate headings within the accounting system would facilitate managerial decision-making and enable the systematic analysis and monitoring of environmental costs.

4.2 Environmental Costs

Environmental costs have arisen from the ongoing interaction between businesses and the environment. To safeguard nature, businesses undertake several additional costs aimed at prevention, reduction or restoration. These costs can be categorised based on their causes and forms. While some environmental costs may stem from an enterprise's proactive protection efforts, others are generated as a direct result of resource use (Ergin and Okutmuş, 2007: 150).

According to green accounting, the benefits derived from the use of natural resources should be treated similarly to depreciation, such as through expenditures or investments, and any depletion of these resources must be recorded accordingly (Yılmaz and Şahin, 2017: 112). In a broader sense, environmental costs involve those environmental and health expenses that are not reflected in the market price of goods and services (Hylander and Goodsite, 2006: 353). Environmental costs, serving the purpose of environmental protection, also include costs related to a company's image, value, and overall environmental performance (Elmacı and Tutkavul, 2015: 79). Based on the full disclosure principle in accounting, environmental information that does not have financial characteristics should also be reported. The primary non-financial environmental information to be considered in this context is listed below (İçöz and Kılınç, 2016: 1529):

- The organisation's environmental policies,

- Legislation and regulations related to the environment,
- Environmental logs,
- Non-financial ecological impacts,
- Internal environmental audit plans and reports,
- Environmental management documentation,
- Periodic reviews of the company's environmental management system,
- Reporting on environmental control, measurement, and testing,
- Corrective action reports,
- Environmental situational analysis reports,
- Environmental training reports and other non-financial documents.

Under the framework of the Canadian Institute of Chartered Accountants (CICA), environmental costs are categorised into three groups: **"prevention costs"**, **"utilisation costs"** and **"damage costs"**.

A) Prevention Costs: They represent the costs incurred by businesses to prevent or minimise the environmental problems resulting from their operations. As these costs are incurred specifically for the objective of safeguarding nature, they can also be referred to as environmental protection costs (Beller et al., 2012: 100; Dalğar and Yıldırım, 2016: 4).

B) Utilisation Costs: They include the expenses arising from a business's use of environmental resources, and they primarily occur due to the consumption of natural resources that are considered public property (Beller et al., 2012: 100; Dalğar and Yıldırım, 2016: 4).

C) Damage Costs: They represent the sort of cost arising from a company's activities that generate environmental pollution and damage. To accurately calculate such costs, it is necessary to measure the physical damage to the environment and determine the economic equivalent of that damage based on those measurements (Beller et al., 2012: 100; Dalğar & Yıldırım, 2016: 4).

İçöz and Kılınç (2016: 1522) listed several challenges that may arise in the integration of green accounting into the traditional financial frameworks:

- Difficulties in accessing the primary documents required to substantiate green accounting records.
- Difficulties in measuring the impact of environmental degradation, reduction, and loss of biodiversity on the business,

- Lack of specific standards for translating this impact into monetary values,
- Lack of legal obligation,
- Lack of transparency regarding the environmental damages caused by corporate operations.

According to the concepts of "social responsibility" and "full disclosure, the monetary expressions of the environmental impacts stemming from industrialisation and technological progress should be reflected in accounting systems (Payziner Doğanay and Özkan, 2014: 3).

In today's business world, companies utilise integrated reporting as part of corporate sustainability. These reports disclose both their financial statements and their economic, social, and environmental strategies, thereby providing an overall view of their interactions with the environment (Gençoğlu and Aytaç, 2016: 52).

4.3 Accounting for Environmental Costs

Within the Uniform Chart of Accounts, there is no specific account item allocated for environmental costs. Therefore, environmental costs arising from business activities are monitored under period expenses or relevant asset accounts (Çalış, 2013: 184). In this context, environmental costs related to inventories can be checked through the following methods: (Beller, Deran and Hatipoğlu, 2012: 101):

- The 15th group of accounts for inventories,
- A sub-account under the 153 Merchandise account,
- Off-balance sheet accounts (memorandum accounts),
- Notes to the financial statements.

Investment expenditures made by businesses for environmental protection are tracked using methods similar to those for inventories, as detailed below (Haftacı and Soylu, 2008: 102-103):

- Establishing a sub-account under the relevant investment account (an account opened under the 25th group of Tangible Fixed Assets),
- Using an account entitled "Receivables from the Environmental Incentive Fund" in cases where investment costs are covered by an environmental protection fund,

- Recording these expenditures within off-balance-sheet (memorandum accounts),
- Providing detailed descriptions of these investment costs within the notes to the financial statements,
- In addition to the above, environmental costs are shown within a specialised environmental report.

To record the environmental costs as period expenses, the Class 7 (cost accounts) section of the Uniform Chart of Accounts is used. The costs directly related to production incurred by businesses to protect their environmental values are included in the "730 General Production Expenses Account" in group No. 73. They can account for the costs related to research and development expenses using the "750 Research and Development Expenses Account" in group No. 75. Since accommodation businesses are service production enterprises, service production businesses have been considered in terms of accounting for environmental costs. The costs incurred by service production enterprises to protect their environmental values are monitored in the 740 Service Production Expenses account in group 74 (Beller et al., 2012: 101, Dalğar and Yıldırım, 2016: 6).

Environmental marketing, sales, and distribution expenses of enterprises are monitored in the 760 Marketing, Sales and Distribution Expenses account in group 76. Environmental General Administrative Expenses should be accounted for using account 770 General Administrative Expenses in group 77 (Dalğar and Yıldırım, 2016: 6).

Under these accounts, prevention, usage and damage costs can be shown as subaccounts.

5. Application Examples

In the application section, examples of possible Green Accounting practices in a hotel enterprise are presented. The examples are derived from the green accounting practices of a hotel operating in southern Turkey. The current Value Added Tax rates in Turkey for 2024 are 10% and 20%. Additionally, the account codes of the Uniform Chart of Accounts, which have been in use in Turkey since 1994, are applied.

APPLICATION 1:

A hotel enterprise has obtained the ISO 14001 Environmental Management Certificate for 210,000 TL. The certificate is valid for a duration of three years. Make the relevant accounting records.

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260. RIGHTS 210.000

260.08 Environmental rights

260.08.01 ISO 14001 Certificate

RELATED PAYMENT ACCOUNT 210.000

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Record of redemption of rights at the end of the year:

Useful life is 3 years. The normal depreciation method was preferred.

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740. SERVICE PRODUCTION COSTS 70,000

740.08 Environmental (Green) Costs

740.08.02 Depreciation and Depletion Shares

268. ACCUMULATED DEPRECIATION 70,000

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APPLICATION 2:

The hotel enterprise has purchased a water purifier for 100,000 TL + VAT from the bank. The useful life of the device is 10 years.

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253. FACILITY MACHINES AND DEVICES 100,000

253.08 Environmental Costs

253.08.01 Prevention Costs

253.08.01.01 Water Purifier

102. BANKS 100,000

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At the end of the year,

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740. SERVICE PRODUCTION COSTS 10,000

740.08 Environmental (Green) Costs

740.08.02 Depreciation and Depletion Shares

257. ACCUMULATED DEPRECIATION 10,000

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APPLICATION 3:

To ensure the recycling of various waste materials, such as glass, plastic, fabric, etc., The hotel enterprise has made a payment of 40,000 TL + VAT for the waste collection, transmission and transformation to recycling facilities.

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740. SERVICE PRODUCTION COSTS 40,000

740.08 Environmental (Green) Costs

740.08.01 Prevention Costs

740.08.01.05 Recycling Costs

191. Deductible VAT 8,000

RELATED PAYMENT ACCOUNT 48,000

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APPLICATION 4:

The Zero Waste and Recycling Education program was organised for the staff. For this purpose, a cash expenditure of 20,000 TL + VAT was made.

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740. SERVICE PRODUCTION COSTS 20,000

740.08 Environmental (Green) Costs

740.08.01 Prevention Costs

740.08.01.05 Educational Program

191. DEDUCTIBLE VAT 2,000

100. CASH 22,000

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APPLICATION 5:

The hotel enterprise had wastewater and emission analyses done, and 30,000 TL + VAT was transferred from the bank to the environmental analysis laboratory for these analyses.

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740. SERVICE PRODUCTION COSTS	30,000	
740.08 Environmental (Green) Costs		
740.08.01 Prevention Costs		
740.08.01.12 Environmental Analysis		
191. DEDUCTIBLE VAT	6,000	
102. BANKS		36,000

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APPLICATION 6:

The hotel enterprise has installed a Solar Panel System to produce environmentally friendly electrical energy for 500,000 TL + VAT.

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258. INVESTMENTS BEING MADE	500,000	
258.08 Environmental Investments		
258.08.01 Solar Panel System		
191. DEDUCTIBLE VAT	100,000	
RELATED PAYMENT ACCOUNT		600,000

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During the construction phase, the investment should be tracked under a dedicated sub-account under 258 Ongoing Investments. After the construction is completed (once the investment is completed), it should be tracked under a sub-account opened within the scope of the 253 Facilities, Machinery, and Equipment category.

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253. FACILITY MACHINES AND DEVICES 500,000

253.08 Environmental Costs

253.08.01 Prevention Costs

253.08.01.09 Solar panels

258. INVESTMENTS BEING MADE 500,000

258.08 Environmental Investments

258.08.01 Solar Panel System

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APPLICATION 7:

The hotel enterprise has incurred maintenance and repair costs as environmental costs (costs related to the maintenance and repair of air conditioners, electrical and water systems, and fire extinguishers). A total payment of 30,000 TL + VAT was made in cash.

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740. SERVICE PRODUCTION COSTS 30,000

740.08 Environmental (Green) Costs

740.08.01 Prevention Costs

740.08.01.03 Maintenance-Repair Costs

191. DEDUCTIBLE VAT 6,000

100 CASH 36,000

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APPLICATION 8:

The hotel enterprise has paid 15,000 TL + VAT for pool chemicals and 12,000 TL + VAT for cleaning materials from the bank.

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740. SERVICE PRODUCTION COSTS 27,000

740.08 Environmental (Green) Costs

740.08.02 Usage Costs

740.08.02.01 Pool Chemicals: 15,000

740.08.02.02 Cleaning Materials: 12,000

191. DEDUCTIBLE VAT 5.400

102. BANKS 32,400

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APPLICATION 9:

Due to the complaint, the hotel enterprise was fined 7,000 TL for noise pollution by the Ministry of Environment and Urbanisation. Payment was made in cash.

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740. SERVICE PRODUCTION COSTS 7,000

740.08 Environmental (Green) Costs

740.08.03 Loss Costs

740.08.03.04 Environmental Penalties

100 CASH 7,000

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6. Conclusions

Enterprises that are sensitive to the environment and operate with a strong sense of responsibility are appreciated by society, which directly influences consumer preferences. In an era when social responsibility and environmental activities are on the global agenda, environmental accounting has emerged as a critical practice.

The transition toward green economies is now regarded as one of the key driving forces of sustainable economic development. The growing awareness of environmental costs and the integration of these costs into corporate performance reporting have triggered the emergence of a new environmental dimension in accounting. Although it is a modern concept, its adoption by

tourism enterprises is of great importance, particularly given that tourism is recognised as an energy- and emission-intensive sector.

The tourism industry is among the leading sectors closely associated with environmental sustainability due to its inherent reliance on natural and cultural assets. Specifically, accommodation, transportation, and recreational services generate significant ecological footprints, characterised by high levels of energy and water consumption, waste production, and carbon emissions. Conventional accounting systems often exclude the costs arising from these environmental impacts from financial statements, leading to the insufficient consideration of environmental performance in management processes. In contrast, the green accounting approach supports sustainable decision-making processes in tourism enterprises by enabling the measurement, monitoring, and reporting of environmental costs. This integration allows tourism enterprises to manage their environmental responsibilities alongside financial data. Thus, green accounting is viewed as an indispensable tool for the institutionalisation of environmental awareness and the reinforcement of sustainable tourism practices within the tourism sector.

The integration of environmental costs into accounting information systems is more critical for tourism enterprises than for those in other sectors, given their profound interaction with the natural environment. For this reason, green accounting practices have become an issue that businesses in the tourism sector consider not only for financial accuracy but also for enhancing corporate image.

Systematically recording environmental costs in the correct accounts within the Uniform Chart of Accounts and tracking them through the use of dedicated sub-accounts is a significant step toward ensuring effective cost control in businesses. Green accounting practices also allow managements to identify resource usage and environmental costs, which is essential for precise budget planning.

Although the Uniform Chart of Accounts has been the standard in Turkey since 1994, it still lacks a primary account item specifically designated for environmental data. While these costs are presently monitored via sub-accounts, the development of specific, direct accounts for environmental activities would be highly beneficial for the industry. Ultimately, the implementation of green accounting serves as a testament to an entity's commitment to ecological stewardship, thereby positively impacting the perceived quality of services and fostering greater consumer appreciation.

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