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"GREEN ECONOMY" AND ESG ACCOUNTABILITY: REFLECTING ENVIRONMENTAL COSTS IN ACCOUNTING

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Abstract: This article highlights the importance of the "green economy" concept and ESG (Environmental, Social, Governance) accountability in the activities of enterprises. The study analyzes the economic nature of environmental costs, their recognition, evaluation in accounting, and disclosure in financial statements. Furthermore, international experience in accounting for expenditures related to environmental protection and the impact of ESG indicators on investment attractiveness are studied. The results of the research are of significant importance in improving the accounting of environmental costs and ensuring the sustainable development of enterprises.

Keywords: green economy, ESG accountability, environmental costs, accounting, sustainable development, environmental reporting.

Introduction. Today, in the process of achieving Uzbekistan's long-term socio-economic development goals, ensuring a balance between economic, social, and environmental factors is gaining important significance. The sustainable development concept implies not only ensuring economic growth but also increasing population welfare, establishing social justice, and rational utilization of natural resources. For this reason, accounting for environmental factors in the activities of enterprises and assessing the impact being caused to the environment are becoming urgent matters.

In order to implement green economy principles into practice in Uzbekistan, the "Strategy for the Transition of the Republic of Uzbekistan to a Green Economy in the Period of 2019–2030" was approved in 2019. This strategy is aimed at increasing energy efficiency, expanding the use of renewable energy sources, reducing greenhouse gas emissions, and efficient utilization of natural resources. The implementation of the strategy further intensifies the need to accurately account for environmental costs in enterprises and reflect them in financial statements.

In world practice, ESG (Environmental, Social, Governance) accountability is viewed as an important tool in assessing environmental and social responsibility. The environmental component of the ESG system covers data regarding the enterprises' impact on the environment, energy consumption, waste management, and environmental costs. Therefore, reflecting environmental costs as a separate group in accounting serves to increase the transparency and investment attractiveness of enterprises. Accounting for environmental costs allows enterprises to evaluate the efficiency of resource utilization, manage environmental risks, and achieve sustainable development goals. International experience shows that integrating environmental costs into financial statements is an important factor in improving ESG ratings and increasing investor confidence. From this point of view, improving the accounting of environmental costs in accordance with green economy principles in Uzbekistan is required.

Main Components of the ESG System and Their Content

Table 1

Component	Content	Significance in Accounting

Environmental (E)	Environmental protection, energy efficiency, waste reduction	Accounting for environmental costs and obligations
Social (S)	Employee rights, labor safety, social responsibility	Accounting for social costs and corporate responsibility
Governance (G)	Corporate governance, transparency, and ethical norms	Reliability and control of financial statements

Types of Environmental Costs Occurring in Enterprises
Table 2

Cost Type	**Examples**	**Direction of Reflection in Accounting**
Environmental protection costs	Installing filters, water treatment facilities	Period costs or capital investments
Waste management costs	Waste collection and processing	Within the structure of production costs
Energy-efficient technology costs	Solar panels, energy-saving equipment	As long-term assets
Environmental monitoring costs	Laboratory analyses, environmental audit	Within the structure of administrative costs
Environmental payments and fines	Environmental taxes and compensations	As other operational costs

Conclusion. Implementing green economy principles and developing ESG accountability is considered one of the important directions in the activities of modern enterprises. In achieving sustainable development goals, harmonizing environmental factors with economic and social aspects holds crucial importance. From this perspective, correctly reflecting environmental costs in accounting serves to increase the environmental responsibility of enterprises, utilize resources efficiently, and reduce negative impacts on the environment. The research results show that the environmental component of ESG accountability allows for a systematic assessment of enterprises' expenditures related to energy consumption, waste management, environmental investments, and environmental protection. Reflecting environmental costs separately in financial statements increases the transparency of enterprise operations and serves as a reliable source of information for investors and interested parties. The implementation of the green economy transition strategy in Uzbekistan requires improving the accounting of environmental costs based on international standards. Accounting for environmental costs and introducing ESG reporting in enterprises serves to ensure sustainable economic growth, reduce environmental risks, and increase the competitiveness of the national economy.

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