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Green Accounting as a Strategic Tool for Corporate Sustainability and Value Creation: A Systematic Review

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ABSTRACT

This study explores the strategic role of green accounting in fostering corporate sustainability and value creation through a systematic literature review of studies published between 2015 and 2025. The research synthesizes theoretical and empirical findings from reputable databases such as Scopus and ScienceDirect, emphasizing how green accounting integrates environmental considerations into financial management. Results indicate that the adoption of green accounting enhances organizational transparency, strengthens stakeholder trust, and improves long-term profitability by aligning economic goals with environmental responsibility. Furthermore, it serves as a vital tool for achieving Sustainable Development Goals (SDGs) through sustainable business operations and resource efficiency. However, challenges such as the absence of standardized reporting frameworks, limited managerial awareness, and weak regulatory enforcement hinder its implementation in various sectors. The study underscores the importance of institutional support, policy intervention, and education to mainstream green accounting practices globally. Overall, green accounting emerges as a critical bridge between financial performance and ecological stewardship, ensuring a balanced approach to value creation and sustainability.

Keywords: Green Accounting, Corporate Sustainability, Value Creation, Environmental Reporting, Sustainable Development Goals (SDGs)

INTRODUCTION

In recent decades, global economic growth has been accompanied by an alarming degradation of environmental quality. Industrialization, deforestation, and the excessive use of natural resources have intensified the challenges of climate change, biodiversity loss, and ecological imbalance. These issues have compelled both governments and corporations to reexamine the foundations of traditional accounting systems that primarily emphasize financial performance while neglecting the environmental and social dimensions of business operations. As a response, green accounting also referred to as environmental accounting has emerged as a vital framework integrating ecological considerations into corporate decision-making and financial reporting (Bebbington et al., 2014; Burritt & Schaltegger, 2019).

Green accounting represents a paradigm shift from the narrow focus of conventional accounting to a more holistic system that quantifies environmental costs and benefits. It enables organizations to recognize environmental degradation, waste management expenses, carbon emissions, and resource depletion as integral components of corporate performance measurement. Through this lens, the firm's interaction with the natural environment becomes measurable, traceable, and accountable, contributing to greater transparency and sustainability-oriented governance (Larrinaga & Bebbington, 2020). This approach aligns with the broader movement toward corporate sustainability, which advocates balancing economic profitability with social equity and ecological responsibility for financial performance (Renaldo, 2024).

The relevance of green accounting is further reinforced by the growing adoption of Environmental, Social, and Governance (ESG) frameworks, which have become a benchmark for investors and stakeholders assessing a company's long-term resilience. Global financial markets increasingly demand non-financial disclosures that demonstrate a company's commitment to sustainable operations and environmental stewardship. In this context, green accounting acts as a strategic too not merely a compliance mechanis to enhance corporate reputation, attract sustainable investment, and optimize resource efficiency. By quantifying environmental performance, companies can identify opportunities to minimize waste, reduce emissions, and improve energy utilization, ultimately creating long-term value for both shareholders and society (Ahmed Abubakar Zik-Rullahi, Ph.D, 2023).

From a strategic management perspective, the integration of green accounting into corporate sustainability is closely linked to the concept of value creation. Traditional financial reporting systems often fail to capture the intangible assets that contribute to a firm's competitive advantage, such as environmental innovation, brand reputation, and stakeholder trust. Green accounting bridges this gap by revealing the hidden environmental costs and benefits that influence corporate valuation. Firms adopting green accounting practices tend to experience improved operational efficiency, risk mitigation, and market differentiation, which collectively contribute to enhanced firm value, This strategic advantage becomes increasingly critical as consumers, regulators, and investors demand greater accountability and ecological responsibility from corporations (Sudarminto & Harto, 2023).

The theoretical foundations of green accounting draw from several key frameworks, including Stakeholder Theory , Legitimacy Theory, and the Natural Resource-Based View (NRBV) of the firm. Stakeholder Theory posits that organizations must respond to the expectations of diverse interest groups, including communities and environmental advocates, rather than focusing solely on shareholders. Legitimacy Theory explains that companies engage in environmental reporting to maintain social approval and legitimacy within the institutional environment. Meanwhile, NRBV extends the traditional resource-based view by emphasizing the strategic importance of ecological capabilities such as pollution prevention and sustainable product design in achieving competitive advantage. Together, these theoretical lenses underscore green accounting's dual function: ensuring transparency for stakeholders and supporting the firm's long-term strategic sustainability.

However, despite the theoretical and practical relevance of green accounting, its adoption and implementation remain uneven across industries and regions. Empirical studies indicate significant variations in disclosure practices, methodological frameworks, and levels of environmental commitment (Liu et al., 2021). In developing economies, barriers such as limited regulatory enforcement, lack of awareness, and insufficient technical expertise hinder the institutionalization of green accounting systems. Conversely, in developed countries, corporations are often driven by stricter environmental regulations, market incentives, and stakeholder pressures to integrate environmental metrics into mainstream accounting practices for cost management

(Hossain & Hasan, 2024). This disparity raises important questions about the contextual factors that shape the effectiveness of green accounting as a strategic instrument for sustainability.

Furthermore, scholars have emphasized that the evolution of green accounting cannot be separated from the broader discourse on corporate sustainability reporting (CSR) and integrated reporting (IR). The International Integrated Reporting Council (IIRC) and Global Reporting Initiative (GRI) have developed frameworks that encourage firms to disclose the interconnection between financial, social, and environmental performance. Nevertheless, there remains a gap between reporting and actual performance improvement often referred to as the “implementation paradox.” Many firms disclose environmental data primarily for reputational legitimacy rather than for strategic integration into corporate decision-making for business strategies (Gantino et al., 2023). Hence, understanding the extent to which green accounting genuinely contributes to value creation as opposed to mere compliance or symbolic disclosure remains a crucial academic and practical challenge.

In addition to its corporate implications, green accounting holds macroeconomic significance. It supports national efforts to measure sustainable development through environmentally adjusted indicators such as the Green GDP and the System of Environmental-Economic Accounting (SEEA) developed by the United Nations. These systems aim to capture the depletion of natural resources and environmental degradation within national income accounting, thereby providing a more accurate picture of economic welfare (United Nations, 2014). The interaction between corporate level green accounting and macro-level environmental accounting reflects the growing recognition that environmental sustainability must be embedded within all layers of economic measurement and decision-making.

Another emerging dimension is the role of digitalization and technology in enhancing the precision and efficiency of green accounting. The advent of big data analytics, Internet of Things (IoT), and artificial intelligence has enabled real-time monitoring of environmental performance, emission tracking, and resource optimization. These innovations facilitate data-driven environmental accounting, allowing companies to evaluate sustainability outcomes with higher accuracy and transparency and accounting properly (Purnamawati et al., 2018). As global supply chains become increasingly complex, digital transformation provides opportunities to standardize green accounting practices across industries and geographies. Despite the promising developments, green accounting faces several conceptual and methodological challenges. There is no universal standard for measuring environmental costs or for integrating ecological data into financial statements. Moreover, the lack of comparability among sustainability reports and the subjectivity in environmental valuation often reduce the reliability of green accounting information to improve financial performance (Endiana et al., 2020). These limitations call for more robust and harmonized frameworks that can ensure consistency, credibility, and relevance of environmental accounting across different contexts.

Given these theoretical, empirical, and practical complexities, a systematic review of the existing literature on green accounting becomes essential. Such a review allows researchers to synthesize prior findings, identify methodological trends, and highlight existing research gaps. It also provides insights into how green accounting has evolved from a compliance-oriented reporting tool into a strategic mechanism for sustainability and value creation. By examining studies published between 2015 and 2025, this research aims to explore how corporations have leveraged green accounting to align financial objectives with environmental stewardship and long-term competitive advantage. Ultimately, the growing urgency of global sustainability challenges underscores the need for an accounting paradigm that transcends financial boundaries. Green accounting not only measures the ecological footprint of business activities but also redefines how organizations perceive value moving beyond short-term profit maximization toward sustainable prosperity. As businesses increasingly operate under the scrutiny of environmentally conscious stakeholders, adopting green accounting becomes not just an ethical responsibility but a strategic necessity. Therefore, understanding its role in promoting corporate sustainability and value creation is pivotal for shaping the future of sustainable business practices and environmental governance.

The implementation of green accounting carries profound implications for corporations, policymakers, and society. For corporations, it serves as a strategic mechanism to align environmental responsibility with financial performance. By internalizing environmental costs, companies can enhance operational efficiency, minimize resource waste, and strengthen long-term competitiveness. Green accounting also builds investor confidence, as transparent disclosure of environmental performance supports sustainable investment decisions and improves corporate reputation. For policymakers, the widespread adoption of green accounting can facilitate the integration of environmental data into national economic planning. It provides a more accurate assessment of economic growth that accounts for natural resource depletion and environmental degradation, supporting the achievement of Sustainable Development Goals (SDGs). From a societal perspective, green accounting encourages corporate accountability and ethical responsibility toward environmental preservation. It empowers stakeholders consumers, communities, and investors to make informed decisions based on ecological performance. In the long term, the institutionalization of green accounting fosters a culture of sustainability, bridging the gap between profit generation and environmental stewardship. Therefore, its implementation not only redefines how corporate value is created but also contributes to a more sustainable and equitable global economy.

LITERATURE REVIEW

Stakeholder Theory

Stakeholder Theory, proposed by Freeman, R. E. (2015) provides a fundamental basis for understanding why organizations adopt green accounting practices. According to this theory, a company's success depends not solely on maximizing shareholder value but on satisfying the expectations and needs of all its stakeholders including customers, employees, investors, communities, regulators, and the natural environment. In the context of sustainability, stakeholders increasingly demand transparency regarding a company's environmental impact, resource consumption, and contribution to ecological preservation.

Legitimacy Theory

Legitimacy Theory, rooted in the sociological concept of organizational legitimacy, posits that firms operate under a "social contract" in which their survival depends on the perception that their activities are desirable, proper, or appropriate within the societal norms and values Fernando dan Lawrence (2015) When environmental crises or unethical business practices threaten public trust, companies may lose their social legitimacy, leading to reputational damage and reduced stakeholder support. Green accounting becomes a means through which organizations maintain or restore legitimacy. By disclosing environmental costs, resource consumption, and sustainability initiatives, companies signal to society that they are acting responsibly and contributing positively to environmental well-being. Legitimacy Theory explains why firms often adopt sustainability reporting voluntarily even in the absence of mandatory regulations to align with social expectations and safeguard their legitimacy Deegan (2019). However, scholars also note that environmental disclosure motivated solely by legitimacy concerns can lead to symbolic rather than substantive practices. This critique highlights the importance of ensuring that green accounting translates into genuine operational changes rather than being used as a public relations tool. In this sense, Legitimacy Theory provides a critical lens to assess the authenticity and strategic depth of corporate green accounting practices.

Natural Resource Based View (NRBV)

The Natural Resource-Based View (NRBV), developed by Hart (2015) NRBV emphasizes that proactive environmental strategies, such as pollution prevention, product stewardship, and sustainable development, can create long-term competitive advantage while improving a company's environmental and economic performance. According to NRBV, firms can achieve long-term success by developing unique environmental competencies such as pollution prevention, product stewardship, and sustainable development that are valuable, rare, inimitable, and non-substitutable (VRIN). Green accounting directly supports the NRBV by identifying, measuring, and managing the environmental costs and benefits associated with these capabilities. It provides a systematic mechanism for firms to monitor their ecological efficiency, track progress toward sustainability goals, and translate environmental innovation into financial performance. For instance, companies that effectively account for waste reduction, carbon mitigation, or renewable energy adoption often experience cost savings and enhanced reputation both of which contribute to firm value Hart (2015). Furthermore, the NRBV framework positions green accounting not as an external compliance burden but as an internal strategic asset that strengthens the firm’s adaptive capacity and resilience in environmentally dynamic markets. By embedding ecological considerations into resource management and decision-making, green accounting enables organizations to create value through sustainability-oriented differentiation.

METHOD

This study employs a systematic literature review (SLR) approach to synthesize existing research on green accounting, corporate sustainability, and value creation. The review follows the PRISMA protocol, involving four stages: identification, screening, eligibility, and inclusion. Relevant articles published between 2015 and 2025 are collected from reputable databases such as Scopus, ScienceDirect, and Google Scholar. The inclusion criteria focus on peer-reviewed studies discussing green accounting’s strategic role in sustainability and corporate value. Thematic analysis is applied to identify patterns, theoretical foundations, and research gaps, ensuring comprehensive and objective synthesis of prior findings.

RESULT

Overview of Selected Studies

The systematic literature review identified 45 peer reviewed studies published between 2015 and 2025, sourced primarily from reputable databases such as Scopus, ScienceDirect, and Emerald Insight. These studies encompass a diverse range of sectors, including manufacturing, energy, logistics, and finance, and originate predominantly from both developed economies such as the United Kingdom, Japan, and Australia and emerging economies including Indonesia, India, and Malaysia. The majority of the reviewed studies employed quantitative methodologies, utilizing environmental disclosure indices, regression analyses, and statistical modeling to measure the relationship between green accounting practices and corporate sustainability outcomes. In contrast, several studies adopted qualitative case study approaches to provide deeper insights into the organizational processes underpinning sustainability integration.

The analysis indicates a progressive increase in scholarly publications over the past decade, signifying heightened academic and corporate attention toward green accounting as a strategic response to sustainability imperatives. Moreover, a significant proportion of the literature establishes a strong linkage between green accounting and the Environmental, Social, and Governance (ESG) framework, reflecting an evolving paradigm in which environmental accountability is embedded within a broader system of holistic corporate governance and sustainable value creation.

Green Accounting Adoption and Implementation

The first major finding pertains to the determinants and impediments influencing the adoption of green accounting practices. Empirical evidence from studies such as Kaur and Lodhia (2018) and Liu et al. (2021) suggests that regulatory frameworks, stakeholder pressure, and organizational environmental culture constitute the primary enablers driving implementation. In jurisdictions characterized by strong environmental governance, firms are more inclined to institutionalize environmental accounting systems as part of their strategic management and reporting processes. In contrast, organizations operating within developing economies often encounter significant challenges, including limited technical capacity, weak regulatory enforcement, and insufficient market-driven incentives, which collectively constrain the effectiveness of adoption.

Moreover, the findings reveal that corporate size and financial performance exert a notable influence on the scope and quality of environmental accounting disclosure. Larger corporations, often subject to higher levels of public scrutiny and investor oversight, tend to implement comprehensive green accounting systems to reinforce legitimacy and sustain stakeholder confidence. Conversely, smaller enterprises frequently perceive environmental accounting as a financial burden rather than a strategic investment, leading to minimal compliance-oriented adoption. This disparity underscores the need for contextualized regulatory support and capacity-building initiatives to foster equitable adoption across firms of varying scales and resource capacities.

Relationship between Green Accounting and Corporate Sustainability

Across the reviewed literature, a consistent pattern emerges: green accounting significantly contributes to corporate sustainability performance. By quantifying environmental costs and benefits, firms are better positioned to manage resource consumption, reduce emissions, and enhance waste management efficiency. Empirical studies show that organizations applying green accounting frameworks experience improved environmental indicators, such as reduced carbon footprint and higher energy efficiency. Additionally, the integration of green accounting into strategic planning fosters a sustainability-oriented mindset within management, encouraging the adoption of eco-innovation and cleaner production technologies (Bui & de Villiers, 2017).

However, some studies highlight a discrepancy between reporting and practice. While sustainability disclosures may appear comprehensive, they often lack depth and measurable outcomes. Gray (2010) and Parker (2020) argue that many corporations use environmental disclosure for symbolic legitimacy rather than substantive transformation. This finding suggests that the impact of green accounting on sustainability is contingent upon organizational authenticity and management commitment rather than mere compliance.

Green Accounting and Corporate Value Creation

A critical insight emerging from the reviewed literature is that green accounting serves not only as a sustainability-enhancing mechanism but also as a catalyst for corporate value creation. Empirical studies, including those by Herzig and Schaltegger (2020), demonstrate that firms integrating environmental performance metrics into financial decision-making processes tend to achieve superior long-term profitability, competitive advantage, and reputational capital. Through the systematic identification of environmental liabilities and cost-saving opportunities, organizations are able to reduce operational inefficiencies, mitigate regulatory risks, and reinforce stakeholder trust, thereby contributing to sustainable financial performance. Evidence from the energy and manufacturing sectors further substantiates this relationship. Similarly, firms implementing integrated reporting systems which consolidate financial and non-financial disclosures demonstrate enhanced investor confidence and reduced capital costs (Dumay et al., 2016).

However, the extent to which green accounting contributes to value creation is influenced by industry characteristics, organizational maturity, and national regulatory environments. In environmentally intensive sectors such as oil, mining, and chemicals, green accounting is more closely associated with value preservation and risk mitigation, reflecting heightened stakeholder expectations for transparency and accountability. Conversely, within service-oriented industries, the strategic benefits of green accounting are primarily realized through brand differentiation, corporate legitimacy, and stakeholder loyalty, rather than direct financial returns. This indicates that the value-generation potential of green accounting is context-dependent, requiring alignment between environmental reporting practices and industry-specific sustainability dynamics.

The Mediating Role of Corporate Sustainability

Several studies highlight that corporate sustainability functions as a mediating variable in the relationship between green accounting practices and corporate value creation. Green accounting serves as the informational and analytical foundation for sustainability-oriented initiatives; however, its influence on firm value becomes evident only when these initiatives are strategically implemented and operationalized. This implies that environmental accounting, in isolation, does not automatically generate economic benefits unless it is embedded within a broader framework of sustainable corporate practices.

Empirical evidence supports this mediating relationship. For example, demonstrate that firms leveraging environmental data for strategic innovation such as the development of eco-efficient products, the adoption of circular economy principles, and the optimization of resource use realize tangible value creation in the form of cost efficiency, enhanced brand reputation, and expanded market opportunities. Conversely, organizations that approach sustainability merely as a symbolic reporting obligation, without corresponding operational or strategic transformation, often fail to achieve meaningful economic or reputational gains.

This mediating mechanism underscores the necessity of integrating green accounting within corporate governance structures and performance management systems. When aligned with sustainability objectives, green accounting transcends its role as a reporting tool and evolves into a strategic instrument for ecological stewardship and long-term economic resilience, reinforcing the interdependence between environmental accountability and corporate value creation.

Moderating Factors: Stakeholders, Legitimacy, and Regulation

The findings further indicate that the relationship between green accounting, corporate sustainability, and value creation is moderated by several contextual factors, notably stakeholder pressure, legitimacy imperatives, and regulatory environments. These factors collectively shape the extent to which green accounting evolves from a compliance-oriented practice into a strategic instrument for sustainable value generation. Stakeholder Pressure: In alignment with Stakeholder Theory, active engagement from key external factors such as investors, customers, and non-governmental organizations (NGOs) significantly accelerates the adoption of green accounting practices. Heightened stakeholder expectations for transparency, accountability, and demonstrable environmental stewardship compel firms to integrate sustainability considerations into their strategic and operational frameworks. This external scrutiny transforms green accounting from a reporting mechanism into a proactive management tool that supports long term legitimacy and trust.

Legitimacy Pressure: Drawing on Legitimacy Theory, firms frequently institutionalize environmental accounting systems to safeguard organizational legitimacy and mitigate reputational risks. In environmentally sensitive industries, such as energy, mining, and manufacturing, green accounting functions as a mechanism for maintaining societal trust and demonstrating conformity with social norms and environmental expectations. Regulatory Context: The strength of the regulatory framework substantially determines the depth and authenticity of green accounting implementation. Robust environmental policies, tax incentives, and mandatory disclosure requirements foster more comprehensive and credible sustainability reporting. Conversely, weak regulatory enforcement tends to produce symbolic or superficial compliance, undermining the transformative potential of green accounting. Collectively, these moderating factors delineate whether green accounting operates merely as a legitimizing instrument or as a strategic driver of corporate sustainability and value creation.

Comparative Analysis: Developed vs. Developing Economies

A comparative synthesis of the reviewed literature reveals notable regional disparities in the perception, adoption, and institutionalization of green accounting practices. In developed economies, green accounting has become an integral component of corporate governance frameworks, frequently incorporated within broader Environmental, Social, and Governance (ESG) and Integrated Reporting (IR) systems. Firms in these contexts demonstrate a high level of institutional maturity, wherein environmental performance metrics are systematically linked to managerial performance evaluation and incentive structures. This integration reflects a deeply embedded sustainability-oriented organizational culture, supported by advanced data infrastructures and strong regulatory oversight that reinforce accountability and transparency.

Conversely, in developing economies, the implementation of green accounting remains largely reactive and externally driven. As observed by Larrinaga and Bebbington (2020), adoption in these contexts is often motivated by regulatory compliance requirements or stakeholder pressures, rather than intrinsic corporate commitment to sustainability principles. Structural barriers such as limited technical expertise, inadequate data management systems, and inconsistent enforcement of environmental policies further constrain the depth and effectiveness of green accounting practices.

Despite these challenges, there is a growing momentum among emerging economies to align with international sustainability and reporting standards, driven by globalization, investor expectations, and competitive pressures in global markets. These cross-regional variations underscore the critical importance of institutional readiness, regulatory coherence, and cultural adaptation in ensuring that green accounting transcends formal compliance and effectively contributes to sustainable corporate value creation.

Theoretical Integration

A synthesis of the reviewed literature demonstrates that the integration of Stakeholder Theory, Legitimacy Theory, and the Natural Resource Based View (NRBV) offers a comprehensive theoretical framework for understanding the strategic role of green accounting in contemporary corporate contexts. Stakeholder Theory elucidates the external drivers that influence the adoption of green accounting practices, emphasizing the role of stakeholder expectations, social pressures, and market accountability in shaping corporate environmental behavior. Organizations are compelled to disclose environmental information and adopt sustainable practices to meet the demands of investors, regulators, customers, and civil society, thereby maintaining legitimacy and trust.

Legitimacy Theory, in turn, explains the institutional and societal imperatives underpinning environmental reporting. It posits that firms engage in green accounting to safeguard their social legitimacy and align corporate actions with prevailing environmental norms and public expectations. Through transparent environmental disclosure, companies reinforce their position as responsible corporate citizens and mitigate reputational risk. Complementing these perspectives, the Natural Resource Based View (NRBV) focuses on the internal strategic dimension of green accounting, highlighting how firms can leverage environmental capabilities and eco-efficient practices to achieve sustainable competitive advantage. By integrating environmental performance into resource management, firms not only minimize ecological impact but also enhance innovation, cost efficiency, and long-term profitability. Collectively, these theoretical perspectives illustrate that green accounting functions simultaneously as a mechanism of social accountability and a strategic organizational resource, linking environmental stewardship with sustainable value creation and competitive resilience.

Emerging Research Trends

The review identifies several emerging trends that are progressively reshaping the trajectory of green accounting research and practice.

1. Digitalization and Big Data
   The increasing integration of advanced digital technologies, including Artificial Intelligence (AI), the Internet of Things (IoT), and blockchain, is significantly enhancing the precision, reliability, and timeliness of environmental data collection and disclosure. These technologies enable real-time monitoring of resource use, emissions, and waste, thereby strengthening the analytical capacity of green accounting systems and supporting data-driven sustainability decisions.
2. Circular Economy Integration
   Green accounting is increasingly being applied as a strategic instrument for managing circular economy initiatives, enabling firms to track resource flows, waste minimization, and material recovery across value chains. This integration facilitates the transition from linear production models toward closed-loop systems, aligning environmental accounting with principles of resource efficiency and sustainable production.

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3. Sustainability Performance Measurement
   Emerging scholarship emphasizes the need to develop standardized and integrative indicators that effectively link environmental performance metrics with financial outcomes. Such frameworks aim to enhance the comparability and decision-usefulness of sustainability disclosures while bridging the gap between environmental accountability and economic valuation.
4. Behavioral Dimensions
   Recent studies have begun to examine the behavioral and organizational factors influencing the adoption of green accounting, particularly the role of managerial ethics, leadership orientation, and corporate culture in shaping sustainability-driven decision-making processes.

Collectively, these trends indicate that green accounting is evolving beyond a conventional reporting framework, becoming an integrated managerial and strategic tool that facilitates corporate sustainability transformation and long term value creation.

CONCLUSION

The findings of this study highlight that green accounting plays a pivotal role in enhancing corporate sustainability and long-term value creation. By integrating environmental costs and benefits into financial decision-making, organizations can align profitability with ecological responsibility. The analysis shows that green accounting practices improve operational efficiency, reduce waste, and strengthen stakeholder trust through transparent sustainability reporting. Furthermore, companies that adopt these practices tend to attract responsible investors and enjoy a stronger corporate reputation. Thus, green accounting is not merely an environmental initiative but a strategic management tool that bridges financial and sustainability objectives. However, despite its potential, the adoption of green accounting remains inconsistent across industries and regions. Barriers such as lack of standardization, inadequate regulatory frameworks, and limited managerial awareness hinder widespread implementation. These challenges underscore the need for institutional and policy support to ensure that environmental reporting becomes a norm rather than a voluntary act.

Based on these findings, several recommendations are proposed. First, companies should institutionalize green accounting frameworks by embedding environmental metrics into financial systems and decision-making processes. Second, governments and standard-setting bodies must develop unified reporting standards that integrate financial and environmental disclosures to enhance comparability and accountability. Third, capacity building and awareness programs should be promoted to enhance managerial understanding of green accounting's strategic value. Lastly, future research should explore quantitative models that measure the direct impact of green accounting on firm performance and sustainability outcomes. In conclusion, green accounting represents a transformative approach to corporate management one that ensures profitability and planetary well-being can coexist within a single strategic vision.

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