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THEORETICAL AND METHODOLOGICAL FOUNDATIONS FOR IMPROVING GREEN ACCOUNTING AND ESG REPORTING SYSTEMS

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Abstract: This scientific article examines the theoretical and methodological foundations for implementing green accounting and forming ESG (Environmental, Social, and Governance) reports under the conditions of globalization and climate change. During the study, the economic essence of environmental accounting, indicators of sustainable development of enterprises, and mechanisms for preparing ESG reports based on international standards were analyzed. In addition, financial and economic aspects of implementing green principles in the real sector industries of Uzbekistan's economy were studied, and scientific conclusions and practical proposals aimed at assessing environmental risks and attracting green investments into the corporate governance system were developed.

Key words: green accounting, ESG reporting, sustainable development, environmental costs, green investments, corporate social responsibility.

Introduction. Today, one of the top priorities of major structural transformations in the global economy is the practical implementation of the concept of sustainable development and minimizing the negative environmental impact of production processes. Under the conditions of globalization, resource constraints, and climate change, traditional accounting models fail to fully reflect the environmental and social responsibilities of enterprises. Consequently, establishing a system of "Green Accounting" and ESG (Environmental, Social, and Governance) reporting has become a necessity of our time on a global scale. In the context of modernizing the economy of New Uzbekistan, implementing green economy principles and ensuring the integration of enterprises into international investment markets are of strategic importance. Furthermore, one of the most critical tasks facing national enterprises is not only achieving high financial results but also ensuring production's environmental safety, striving for carbon neutrality, and correctly reflecting environmental costs and liabilities in accounting. From this perspective, classifying environmental costs, determining their share in cost calculation, and improving mechanisms for preparing transparent reports based on ESG criteria are both theoretically and practically urgent. Currently, the regulatory and legal framework for maintaining green accounting in our country's enterprises is not fully formed. The lack of a methodology for evaluating environmental assets and liabilities, along with the omission of ESG indicators in investment decision-making, leads to systemic problems. This situation limits local enterprises' capacity to attract funds from international "green" investment funds. Therefore, there is a growing need to develop modern methodological approaches to integrate environmental accounting and ESG reporting into the national accounting system. In particular, utilizing the tools of international standards such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) plays an important role in assessing the economic activity of enterprises.

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In order to ensure sustainable economic growth in the Republic of Uzbekistan, the "Strategy for Transition to a Green Economy" is being consistently implemented. In this regard, the need has arisen to form an organizational-economic structure for implementing green accounting and ESG principles in enterprises. As a result of the conducted analyses, the following main functional characteristics of green accounting, which distinguish it from traditional accounting, were identified and classified:

Systematic accounting of environmental costs (waste reduction, filter installations, environmental fees) on separate accounts.

Economic evaluation and balance sheet disclosure of the company's natural assets (land, water, forest resources).

Creating mechanisms for reserving environmental liabilities and future environmental risks.

Demonstrating the social and environmental reputation of the enterprise to international investors through ESG reports.

Analyzing the economic efficiency of energy and resource-saving technologies during the production process.

To implement ESG principles in industrial enterprises, it is initially necessary to clearly define the components of environmental investments and their funding sources. To systematically analyze the forecast indicators implemented in this direction, the following table data were formulated.

Technical and economic indicators of projects for implementing "Green Accounting" and ESG principles in industrial enterprises for 2024–2028 (in million USD)

Table 1

No	Indicator name	Total	Green Bonds	International Grants	Enterprise's Own Funds	State Subsidies
1.	Total value of projects	85.50	40.00	15.50	20.00	10.00
2.	Introducing environmental technologies (Filters, recycling)	45.00	25.00	5.00	10.00	5.00
3.	Digitalizing accounting and ESG software	12.20	5.00	4.20	3.00	0.00
4.	Personnel professional development and environmental audit system	8.30	0.00	3.30	3.00	2.00
5.	Component for transitioning to alternative energy sources	20.00	10.00	3.00	4.00	3.00

Analysis of the data in Table 1 shows that the major portion of the projects, with a total value of 85.50 million USD, namely 40.00 million USD, is planned to be financed through green bonds (Green Bonds). This requires a high level of financial transparency and ESG reporting in enterprises because international investors allocate green capital solely to projects that have passed an ESG audit. In

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accordance with relevant decrees of the President of the Republic of Uzbekistan, it is mandatory for our country's large joint-stock companies and banks to gradually publish sustainable development reports based on international GRI standards. In this process, the greatest share falls upon the enterprises of energy, metallurgy, and chemical industries, which are considered the core sectors of the economy (Figure

Figure 1. Priority of implementing green accounting systems and forming ESG reports by sectors in 2024–2030 (in conditional units). The analysis of Figure 1 shows that implementing ESG principles in sectors with high environmental loads is a primary task. As a result of reforms implemented in the past period, the share of green energy in the energy system is growing; however, traditional methods are still used in accounting for these investments. Integrating the chart of accounts for green accounting into National Accounting Standards (NAS) creates an opportunity to correctly calculate the depreciation of environmental assets.

Conclusion. The green accounting (Green Accounting) and ESG reporting system is the most effective and modern tool for implementing the concept of sustainable development at the corporate level. This system serves to ensure not only the current financial stability of enterprises but also their long-term environmental safety and social reputation.

To develop green accounting and increase the efficiency of implementing ESG standards in real sector enterprises of Uzbekistan's economy, we consider it appropriate to implement the following scientific and practical proposals:

First, it is necessary to introduce a separate standard named "Accounting for Environmental Costs, Assets, and Liabilities" into the National Accounting Standards (NAS) and integrate environmental sub-accounts into the current chart of accounts. Second, it is essential to expand the practice of mandatory publication of ESG reports matching international GRI standards within the annual financial statements of large joint-stock companies and enterprises with state shares.

Third, there is a requirement to establish an Environmental Risk Management system in enterprises and to develop a methodology for evaluating production waste and atmospheric gas emissions in monetary equivalents. Fourth, it is necessary to enhance human resource capacity in this field by introducing special courses on "Green Accounting and ESG Reporting" into the curricula of accounting and auditing directions within the higher education system.

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