

Green Accounting and Sustainability Practices in Sri Lankan Garment Industry

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Introduction

The main aim of this research is to study the green accounting practices which contribute to sustainable development of the garment industry. Green accounting considers environmental costs in the accounting system, which is neglected in the current accounting system. Therefore, the accounting system should be revised taking environmental costs into consideration (Blowfield, 2013). The existing literature motivates the research. Pollution control, sustainable development, projection, cost, estimated life in the environment, product circulation, environmental-centered management systems are main benefits one can get by using green accounting practices (Disanayake, not dated). Reduction of power intake, renewable electricity, reduction of water consumption, reduction of noise pollutants are some of the sustainable production techniques. Two of the main companies in Sri Lankan's garment industry, MAS Holdings (Pvt) Ltd and Brandix Lanka Ltd were selected for the study.

Objective

The main objective of this study is to identify different types of green accounting practices and sustainability activities which will optimise the use of resources and affect the environment in a socially beneficial manner.

Methodology

The sample of this study consists of two main companies in the Sri Lankan garment industry. In order to collect data, researchers visited these two companies and interviewed the management. Collected data about green accounting practices were analyzed with the help of wordcloud technique and the data about sustainability activities were analyzed through content analysis.

Results and Discussion

MAS holdings (Pvt) ltd: After analyzing the word cloud software, 'Material', 'Renewable energy', 'Biodiversity program', 'Waste Management Project' and 'Chemicals' were identified as the main key terms. The respondent said that these practices are carried out in their industry under the areas of water, waste and energy which were identified as other main keys from word cloud.

Energy – The Company uses advanced technological tools to reduce wastage. Furthermore, MAS is planning to expand the value as either resources or raw materials. MAS Holdings uses many different ways to reduce energy intensity such as Change from CFL bulbs to LED, Change form air cooling machines to water cooling machines. The building of Methliya is made of glass, so the company saves electricity on for lighting, and instead obtains sunlight from nature.

Chemical - As per the explanation of the respondent, chemicals would pollute the environment; but MAS always attempts a standard method instead of releasing those hazardous chemicals to the environment.

Wastage - Methliya has decided on 0 % landfilling from the beginning itself. The wastage of textiles is reduced through the usage of the rays from Holcim. Although this incurs a high cost, they attempt to destroy the textile wastage in a sustainable manner.

Water- In MAS branches they implement Anaerobic and Aerobic water treatment plants and reuse water for gardening and washing plates. They also use sensor taps to avoid wastage.

Brandix Lanka: Wordcloud pointed out the words - water, energy, waste and emission. Those are the areas Brandix covers in their practice of Green Accounting.

Water - Recycling of water waste can be recognized as an essential water management strategy of Brandix. Moreover, Brandix had made considerable effort to implement the company's processes to reclaim as well as to reuse the water. The water that cannot be reused is directed to an on-site water treatment plant. Furthermore, Brandix has also started to concentrate on rainwater harvesting techniques and boost liter capacity by 400 million at the Apparel Park of Brandix in India.

Energy - Energy can be defined as one of the important environmental concerns and Brandix gives considerable attention to regulate the company's consumption level. The overall objective of Brandix is to develop the intensity parameters of the Group's energy. In Sri Lanka, Brandix has transferred to biomass whenever it is possible, and ultimately uses coal when there is an inadequacy of a sustainable supply of biomass. Apart from that, it is important to mention that in India, there is a drive for use of biofuel resources in order to meet their whole energy requirement. Currently in Brandix, branches at Koggala and Batticaloa generate sufficient solar power to meet 10% of the group annual energy consumption. In Batticaloa branch brandix has installed Sri Lanka's largest roof top solar power system.

Energy - Basically the energy consumed by Brandix in their day to day operations incurs more than 90% of the company's greenhouse gas emissions. That's why the company is dedicated to decrease the emission from their operations. Brandix believes that this is the best way for them to contribute to the global campaign in order to reduce the risks of climate change and global warming.

Wastage - Brandix always focuses on the food and fabric wastage of the company. They seek to accomplish a zero wastage to the landfill for the whole company by 2020. They also ensure that 100% of rubbish generated by the company is discarded in this way.

Company A: As the sustainability activities in company A they have a long-term ongoing project with Dedigama primary school about the safety and did a tree planting programme. Company A renewed the entire hospital at Alawwa and made a garden there and did a planting programme. Company A continues with a biodiversity project, and also continues sustainability activity. It produced the Sri Lankan cricket jersey using needles, which are made using polythene and plastics, found at the beach. MAS holdings conducted a biodiversity project.

They have determined to grow the trees as at the area they lived in 2017; ten times of that in 2020 and 100 times in 2025.

Table 1: Sustainability activities

Company A	Company B
<ul style="list-style-type: none"> • Projects for schools • Projects at hospitals • Biodiversity project 	<ul style="list-style-type: none"> • Blood donation programme • Project for student • Upgrading the water quality of Kelani river
<ul style="list-style-type: none"> • Grow a forest and turn an economic zone green 	

Company B: Company B as pre sustainability activities, are doing blood donation and conducting a programme that gives academic facilities like giving books, required stationaries to the children of their associates. Also company B is upgrading the water quality of Kelani River with the support of government bodies like IOCM and provide water well facilities for remote villages.

Conclusion

As per the exploration in most of the articles, this research was also the topic “Environmental Management Accounting” and a few were available under the topic “Green Accounting”. Most of the articles elaborated on Environmental management accounting practicing in areas like water, energy, material, carbon. Those using green accounting practices under these areas are - water treatment plant, solar plants, rain water harvesting techniques, biomass boilers and furthermore. The researchers have focused only on Garment industries and would like to recommend spreading the future studies towards the other industries.

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