

Environmental Management Accounting Practices: A Case Study Analysis with Special Reference to Food and Beverage Industry in Sri Lanka

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Environmental Management Accounting (EMA) is acknowledged as a key element to promote organizational sustainability. EMA practices benefit the industries in both financial & non-financial terms such as cost efficiencies, transparency of environmental reporting and legal compliance. This study aims to find the drivers of EMA implementation, EMA practices, and challenges or barriers of EMA implementation in the Food & Beverage Industry in Sri Lanka. The growing rate of solid wastewater and energy consumption reported in the Food & Beverage Industry in Sri Lanka indicated the importance of EMA practices in the sector. A comparative multiple case study approach which is related to two different food and beverage manufacturing companies is utilized for this study. Data triangulation approach is adopted including interviews, observations, and document survey. This study encompasses the qualitative method in data analysis and interpretation of the results. The findings show that both companies practice their EMA practices in accordance with their strategic plan. However, the extent of priority of the EMA concerns is lower because of the inherent complexity that every company has to face in the practical implementation of the EMA. Company A is led by its group policy to comply with EMA practices, while company B appreciates its image achieved via EMA practices. Furthermore, in respect of solid waste, water & energy consumption, both companies have similar treatments where the quality of the treatment is different based on the companies' ability to cater to required resources. In terms of challenges, both companies have suffered from a lack of skilled and committed workforce. Moreover, one case company emphasizes financial issues related to their EMA practices. These findings suggest that companies should find technology solutions to overcome issues related to EMA practices rather than conventional methodologies. Finally, this study will provide practical implications relating to EMA practices.

Keywords: Environment management accounting, Water consumption, Energy consumption, Food and beverage industry