

Accounting/Business and Social Justice

What is Accounting and its link to Social Justice?

- Language
- Communication Tool
- Financial Information must be relevant, reliable and comparable
- Who are our stakeholders?
- Social Justice Implications – Social Responsibility Accounting
- Corporate Social Responsibility and the Balanced Scorecard
- As an Assessment Tool

Social accounting is the process of communicating the social and environmental effects of an organization's economic actions to particular interest groups within society and to society at large.

Social accounting can be defined as an approach to reporting a firm's activities which stresses the need for the identification of socially relevant behavior, the determination of those to whom the company is accountable for its social performance and the development of appropriate measures and reporting techniques.



- **Corporate social responsibility (CSR)** describes the efforts of companies to take responsibility for the impact their operations have on society and to improve social well-being within and outside of the firm.
- CSR activities can include far-reaching issues such as reducing global poverty and protecting the environment.
- When CSR activities involve ensuring the ability to meet current needs without compromising the ability of future generations to meet their needs (such as with efforts that protect the environment), the CSR activities are referred to as **sustainability** efforts.
 - Sometimes the terms CSR and sustainability are used interchangeably.

- The **Global Reporting Initiative** is an international organization that develops and encourages the use of sustainability reporting standards.
- Many corporations use a **triple bottom line** approach to their sustainability by reporting on the following:
 - Financial performance
 - Social performance
 - Environmental performance

- A balanced scorecard, which links all of the company's strategic objectives together, is helpful in integrating CSR activities into the core strategy of the company.
 - In doing so, companies may include CSR activities in a separate corporate social responsibility performance perspective.
 - Other companies integrate CSR strategic objectives into the four perspectives (learning and growth, internal processes, customer, and financial) of the balanced scorecard.
 - This creates what is sometimes referred to as a **sustainability balanced scorecard (SBSC)**.