

Free research paper about social and environmental reporting

[Business](#), [Company](#)



For the past three decades matters pertaining to an organization and its interaction with its physical environment have been widely accepted. Any business in its operations affects its immediate physical environment both directly and indirectly . It is therefore important for a business organizational to assess the degree with which it affects its environment and subsequently stand accountable, not only for economic benefits but also for the future well being of the society at large (Henderson et al., 2006). There is concrete evidence to believe that success in business is derived, in part at least, from the society and the natural environment. Business, the society and the nature maintain a symbiotic relationship that guarantees mutual benefits for all the parties. A business acquires factors of production and market for its final goods from the society and the natural environment. Contextually, this company acquires its raw materials (tree) directly from the environment. This has a direct impact to the society and the environment in terms of deforestation and the subsequent consequences of deforestation to the biodiversity (living things), not excluding human beings (Adams, 2004). On the other hand, paper forms an integral part of day in day out human life . This is a unique example of the mutualism that exists between business, the society and the environment.

Costs of social and environmental accountability

Although this business may reap many benefits from social and environmental reporting, it comes at a cost. The cost of social and environmental reporting is unique to a given industry or line of a business . for business that intensively uses chemicals in their operations, the costs of social and environmental reporting may be comparatively huge. In this

context, the company already gives back to the society through providing mass employment . In this sense; the company may comparatively incur less on social and environmental reporting. Costs that may be associated to reporting may include the cost of employing a special workforce that will be charged with the role of assessing and subsequently creating a report that reflects the status of the business in terms of social and environmental responsibility (Adams, 2003). As alternative the business may consider offering extensional training to its accounting personnel to equip them with the skills on social and environmental reporting.

Additionally social and environmental responsibility entails staying true to the social contract that takes in aspect such as responsible acquisition of raw materials, packaging , disposal of waste materials and generally endeavoring to enhance societal life . In its attempt to stay true to these aspects that bind its contract with the society the business may compromise the business in its chief endeavor which is to make profits . Acquiring raw materials , producing and disposing in a manner that guarantees mutual satisfaction to the environment and the society adds on to the financial burden (expenses) of the business (Henderson et al., 2006).

Many countries have so far installed tax systems that automatically deduct a certain amount of tax from listed companies for the purpose of environmental conservation and betterment of societal life . This Company stands no exception from this type of tax since it is a listed company.

Benefits

While the costs of social and environmental reporting for Real Printing Company are overwhelmingly large and demanding it is critical to understand the competitive nature of current businesses environments. A wide variety of reasons exist as to why Real Printing Company should adopt a social and environmental reporting within their organizational structures.

Tax credit

In a global world where nations are collectively and individually fighting to sustain a natural ecosystem burdened by the need to satisfy human needs, it has become a core factor that governments lay down structures that encourage business entities to take responsibility for social and environmental concerns within their regions of operation (Adams, 2003). In the case of Real Printing Company, the company needs to chip in through comprehensive reporting on its role in ensuring a sustainable future. Authorities have established measures such as offering tax credits for companies that submit their environmental and social reports as well as those that show a high regard for these issues. These tax credits would help in increasing the net returns and this would work to increase the profits accrued by the company. Tax credits would also render a company more credit worth within the financial institutions it closely relates. Credit worthiness is a critical factor for businesses today as it gives the company a better chance to acquire loans and grants to boost its operations in the future (Henderson et al., 2006). The volatility of economies today also requires that companies such as Real Printing Company secure the future

through working within the current policies that improve their image within the financial sectors.

A good public image

In a market environment where every detail matters, Real Printing Company should not take any assumptions in what the society thinks about the company. In its use of raw materials, disposal of waste materials as well as its contribution to the adjacent society play a big role in determining its future within the industry. Every society will relate with the company that creates a sense of identity with it (Adams, 2004). The working relationship between the company and the society is based on the social corporate responsibility as well as the role of the company in ensuring a sustainable environment for both the company and the society. Real Printing Company can create that sense of ownership within its adjacent societies. A good public image means that every member of the society would wish to be associated with the company and this would subsequently run down as a benefit to its market control.

Absence of legal tussles between the company and the authorities

The company is not destined for a short term operation. The management would wish to see the company grow to a level where it controls the largest market share within Victoria. However, this can only be possible if the company takes a clear initiative geared towards addressing the legal social and environmental issues that may crop up during its operations.

Acquisition of raw materials and disposal of waste products form a critical

component of the company's manufacturing line. When legal tussles exist, and where they place a burden on the manufacturing line, it means the levels of production will be compromised and this will result in low income. However, in the absence of these legal tussles, the company is assured of continued production. To reduce the chances of legal tussles cropping up, the company should seek to seal all loop holes that can possibly exist within the spheres of its environmental and social responsibility.

Recommendations

On a theoretical analysis, the importance of social and environmental reporting is assumed to be negligible. However, on the practicality, the role of social and environmental reporting possesses a wide range of benefits that impact directly on the future of the company. Real Printing Company will in its operations require a continued supply of raw materials, labor and measures of waste disposal. It is expected that the company will continually grow and this will mean that the requirements will be extended in a proportional manner (Henderson et al., 2006).

The financial benefits of engaging in social and environmental reporting from an integrated view are important. It defines the managerial credibility of a company and in essence creates a stronger relationship between the society and the company. Subsequently, this relationship acts as a significant determinant of the economic development and the competitiveness ability of the company. Real Printing Company can thus not afford to overlook these benefits. Overlooking these issues would place the company in a risky position in terms of its ability to market the products to its adjacent

customers as well as the society from where it finds its roots.

The competition is at an all time high and leading printing companies are ready to take an all-risk approach to gain a competitive advantage in the market as well as control a larger market share. The target is all about the profits accrued. Managers are being ranked nowadays on the returns at the end of a financial period (Adams, 2004). When financial records indicate low profits, there is the expected movement of human labor with a view to increasing profits. However, in the contemporary society where social and environmental activists are keenly watching the moves of any company, it is critical that managers put into consideration the benefits derived from social and environmental reporting associated with their company.

Users of the report

- SHAREHOLDERS

Shareholders are the owners of the business and as such the business should be accountable to its owners in all manners. The shareholders determine the success of the business and as such form a crucial group of people who use such reports. Shareholders use social and environmental reports to assess the degree to which the business is socially responsible . A sizeable research shows that the degree of social responsibility is directly proportional to the level of profitability . A business that is socially responsible enjoys greater preference in the market than its rivals. This means that it is of great interest to the shareholders to know whether their investment is in safe hands in terms of returns (Henderson et al., 2006).

- The government

The government is the prime defender of the environment and guarantor of human rights . Another user of this report is thus the government. The government needs to understand the level to which the business is socially responsible and if need be, control the activities of the business if at all found to be socially irresponsible (Adams, 2003).

3. Environmental and social rights watchdogs

Environmental and social rights activists may require this report for the purpose of protecting the environment and humanity from misuse by business. With the modern day level of business competition, businesses may want to maximize profits at the expense of the environment and the society.

4. General public

The general public is the principle benefactor of the business and as such, it may be of great interest to them to know whether the company they buy from is mindful of their wellbeing in terms of environmental conservation and social responsibility.

The form that the report should take

For the purpose of understanding, a social and environmental report should be divided in to the following sections

1. Social and environmental goals of the business

This part should entail the social and responsibility goals that the business has laid . This should be a reflection of the blueprint that carries the goals and objections that the business aims to achieve in its endeavor to remain loyal to the natural environment and the society . This will offer the intended

audience a chance to understand the policies that the business has adopted in relation to social and environmental responsibilities (Henderson et al., 2006)

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2. Current position of the business

This section should capture the current position of the business in relation to the activities that have been undertaken by the firm . This should show the current social and environmental policy of the firm and activities taken and intended to be taken by the firm to materialize the aspects contained in that policy . In this section the business should also report on the methods of raw material acquisition, packaging, disposal and treatment of employees currently employed by the firm (Adams, 2004). This should give the intended audience a chance to understand and assess the degree to which the firm stays true to the social contract between the society and the business.

3. Social and environmental responsibility assessment

This section should depict a clear assessment of the company in relation to social responsibility. This should show the level of environmental pollution that is caused by the business and the risks that the business exposes to the immediate environment, that is, biodiversity and its human resource. This Therefore, this section should be both an internal and external of the effects of the business' production to both its employees and the large external environment (Henderson et al., 2006).

4. Future plans

This section entails the future plans that the business intends to undertake in order to improve its current position in terms of social and environmental

responsibility.

5. Acknowledgement

This section should be an acknowledgement and appreciation of all the stakeholders who made the report a success.

References

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