

Corporate environmental ,social and sustainability reporting

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Corporate Environmental, Social and Sustainability Reporting Introduction

Environmental and social perspectives have forced organisations to change their ways of thinking and alter their business practices that they have been pursuing. In the UK, corporate social and sustainability reporting was initiated in the late 1980s; however, over 2000 private corporations have been found reporting environmental and sustainability initiatives now in their annual reports. The paper attempts to explore why it has become so necessary for public sector organisations to embrace sustainability accounting and reporting to their stakeholders; the difficulties faced by them towards its implementation and how the process of reporting in public sectors has progressed so far in last few years.

Defining Sustainability The UN Brundtland Commission (1987) describes, " Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (UN Commission, 1987). This definition in itself explains why it has been important and necessary for organizations to implement sustainability reporting whether they are in private or public domain.

Private Sector and Sustainability Reporting Corporate social responsibility activity and Sustainability reporting serve the purpose of meeting corporate social obligations along with tracking environmental programmes. The report helps undertake measurement and analysis of the factors such as water, energy, and waste generations to ensure how organization has been progressing towards its objective of achieving sustainable development. In the private sector, sustainability reporting takes into consideration the direct impact of its operations on the society and environment. Currently, the sustainability reporting in the

private sector has become a statutory requirement and has become a norm for industries (Sustainability Reporting Matters, 2010). Public Sectors Need to Adopt Sustainability Reporting It is a common argument that the main focus of public sector organizations is public welfare, therefore, they should not be kept within the ambit of sustainability reporting; however, the argument has basic fallacy in the sense that the very basic foundation of public sector is done for public good and in that sense they are more accountable for such scrutiny as their operations affect future generations too. It is true that each public sector organisation has a different emphasis. For example, congestion could be a major issue for the local public bodies in the city of London; however, the same may not be the case with the similar bodies in other smaller towns of the UK. Overall, there is no denying to the fact the public sectors in the UK purchases ? 25 billion of goods and services in a year and it is obvious that its impact on the society, economy and environment will be quite significant. Public sectors by their very nature will create wide ranging impacts on future sustainability and that certainly cannot be ignored. (Global Reporting Initiative, p 2). Difficulties with Public sector Sustainability Reporting Since long it has been presumed that public sectors exist and operate for general welfare of the masses so obviously all their initiatives will have some ethical considerations; that will take care of social and environment causes necessary for sustainability. Moreover, different governments address these issues differently. For example, Sweden focuses more on environment aspects for their sustainability measures; the view point of UK government is more wholesome encompassing several aspects such as water, air, waste generation. Thus, the measurements vary country

to country as per local issues and priorities. Due to the lack of proper guidelines and consensus on many issues, the public sector sustainability reporting could not progress much as happened with private organisations. It is pertinent to note that no guidelines existed for public sectors in the UK until 2006 when the Chartered Institute of Public Finance and Accountancy (CIPFA) came forward with their detailed guidelines for public sectors on the aspect of sustainability reporting (Sustainability Reporting Matters, p 9).

Examples of Good Practice in Public Sector The National Health Service (NHC) of the UK is a good example of public sector organisation having set its goal towards reducing carbon emissions. NHC is responsible for 3. 2 percent of the nation's total emissions and one-fourth emission of all public sector emissions (sustainability framework, p 75). The governments of the countries such as UK and Canada strongly believe that consumption of water and energy, the waste generated by its corporations, and the work patterns followed by their staff greatly influence the ultimate objective of achieving sustainable development in the country (Global reporting Initiative, 9). It will be interesting to note that corporate social reporting has been mandated for all state-owned companies in Denmark. Similarly, many countries are either in the process or have already made, for example Sweden and China, sustainability reporting mandatory for their all state-owned enterprises (sustainability framework, p 125). Conclusion Thus, it is clear that not only private organizations but also public sectors are equally accountable to a large group of its stakeholders for social, environmental and sustainability reporting. Governments in most part of the world have realized this and have initiated the process to implement sustainability reporting to show their

concern for present and future generations as well. References UN Commission (1987). Our Common Future Chapter 2: Towards Sustainable Development. [Online] Accessed 2 September 2012 < [http://www. un-documents. net/ocf-02. htm](http://www.un-documents.net/ocf-02.htm) >. Sustainability framework (2011). IFAC. [Online] Accessed 2 September 2012 < <http://www. accountability. org/images/content/4/3/435. pdf> >. Sustainability Reporting Matters (2010). ACCA. [Online] Accessed 2 September 2012 < <http://www. accaglobal. com/content/dam/acca/global/PDF-technical/sustainability-reporting/tech-tp-srm. pdf> > Global Reporting Initiative (2004). Public Agency Sustainability Reporting. [Online] Accessed 2 September 2012 < http://rsuniversitaria. org/web/images/stories/Documentos_antiguos/grip. pdf >.