Chapter 6

Green Reporting and Its Impact on Business Strategy: Computer Program for Evidence and Green Reporting

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ABSTRACT

This chapter illustrates some aspects of the green reporting and its impact on the business strategy of an economic entity. The main objectives of this chapter are to present the green reporting and the green accounting synthesis documents and, also, to present the computer program for the green report of an economic entity. Based on the national and international literature, the authors present the concepts of the green reporting and integrated report and a computer program specifically designed to record green costs and green reporting. They present the types of green costs and the legislation related to the green reporting. The aspects presented by the authors are based on the national and international literature, specialized studies related to the topic of this study. A new theoretical-empirical framework is created by the authors through their contribution, which facilitates the identification of new ideas, themes, and debates of other issues encountered in the world business environment.

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INTRODUCTION

Many companies around the world have included the environment as part of the global business strategy. Important business issues have become: the waste disposal, the greenhouse gas emissions reduction or various ways of promoting the use of electricity. The Global Resource Initiatives (GRI), the most widely used worldwide report framework, is applied globally by companies offering a standardized approach that demonstrates a strong corporate commitment to the environmental policy. The GRI framework has been developed by a network of people from more than 60 countries and is part of different areas such as: education, government, business etc.

This paper aims to propose a strategic framework for the accounting and sustainability reporting (Green Accounting and Reporting). The Green Accounting realizes how management acts and registers the effects of using the environment. Accounting and its awareness are done through reports which require transparency of the shareholders or other stakeholders. Starting from the specialized studies, a clearer delimitation of the strategic framework between the sustainability reporting and its impact on the business strategy has been attempted by using the information provided by an appropriate IT program. The objectives of this chapter are to: (1) highlight the implications of accounting as a green reporting tool; (2) achieving the integration between the green accounting and the green reporting through the information provided by an appropriate IT program, and (3) highlighting the impact of the accounting/green reporting information on a company’s business strategy.

BACKGROUND

Conceptual Approaches of Sustainability

In the evolution of the concept of sustainability, the basic idea remained the same, but the specialists have presented several interesting approaches. Thus, some authors have focused on the essence of enhancing and preserving the environment (Shrivastava and Hart, 1992; Santos and Filho, 2005) and the sustainable society (Elkington, 1997), while other authors have reached the economic aspect of the concept of sustainability. According to experts, a sustainable society must meet three conditions: its rates of renewable resources use should not exceed their regeneration rates; its rates of renewable resources use should not exceed the rate at which the alternative sustainable suppliers have developed; and the pollution emission rates must not exceed the capacity of the environment assimilation (Elkington, 1997). Sustainability is a fundamental and complex construction that helps maintain the balance of several factors for the long existence of the planet (Aras & Crowther, 2009). This construction has continued to gain the attention of the specialists, becoming one of the most important problems faced by mankind due to the continuing pressure of the society and investors (Ambec & Lanoie, 2008; Epstein, 2008; Lippman, 2010).

Sustainability represents the development of the society and its evolution towards a rich and more comfortable world, where the natural environment and cultural achievements are reserved for future generations. Nowadays, in addition to the benefits of the future generations, the viability offers gains of value and finance (Dyllick & Hockerts, 2002). Other conceptual approaches to the notion of sustainability refer to the expectations of improving the social and environmental performance of the present generation without including the ability of the future generations to meet their social and environmental needs.
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