Social responsibility accounting - sometimes referred to as sustainability accounting or corporate social responsibility accounting - is the concept of **integrating** nonfinancial measures into financial reporting. Although social responsibility accounting and reporting aren't mandatory for U.S. businesses, companies do at times report on social issues.

Definition of Social Responsibility Accounting

According to the [American Institute of CPAs](https://www.aicpa.org/interestareas/businessindustryandgovernment/resources/sustainability/pages/sustainabilityfaqs.aspx), sustainability accounting involves reporting a **"triple bottom-line"** of a company's economic vitality, social responsibility and environmental responsibility. In the past, business philosophy in the United States has tasked company managers with driving profits for shareholders. More and more, individuals and institutions are concerned with how business operations affect **employees, customers,** the **community** and the **natural environment**. Social responsibility accounting seeks to quantify and report on this information.

## Information Reported Under Social Responsibility Accounting

Companies that employ social responsibility accounting may report on some or all of the following issues:

* Statistics regarding **employee health** and **job-related accidents**.
* **Emission rates,** spills and volume of **hazardous waste** generated.
* Use of **scarce resources** such as water or lumber.
* Information about **ethical initiatives** within the company, such as labor practices, education, philanthropic efforts, human rights and diversity.
* Links between **executive pay** and sustainability criteria.

## Reporting Framework for Social Responsibility Accounting

It's important for accounting information to be comparable, so companies that use social responsibility accounting need a **consistent framework** to work under. Companies can currently use the **Global Reporting Initiative Framework**, which the AICPA calls the de facto standard for sustainability reporting. Leading professionals in the fields of business, accounting and regulation have formed a **Climate Disclosures Standards Board** to develop a framework for environmental reporting.

## Use of Social Responsibility Accounting

Companies that have stock listed on a U.S. stock exchange are required to report their financial information, but are **not required** to report on their social and sustainability information. Because of this, not many businesses report the information thoroughly. According to a 2013 [study](http://irrcinstitute.org/pdf/FINAL_Integrated_Financial_Sustain_Reporting_April_2013.pdf) performed by the Investor Responsibility Research Institute, **only 1.4 percent** of companies listed in the S&P 500 - seven, to be exact - issue a full-fledged statement on sustainability reporting. However, **all but one** of the S&P 500 makes some sort of disclosure about sustainability, and **nearly half** link executive compensation to some sort of sustainability criteria.

In India, All companies whose threshold limit of turnover and profit exceed prescribed limits, expenses on CSR under prescribed heading is made mandatory.