



UNRISD

United Nations Research Institute for Social Development

Measuring and Reporting Social Value : Accounting Perspective

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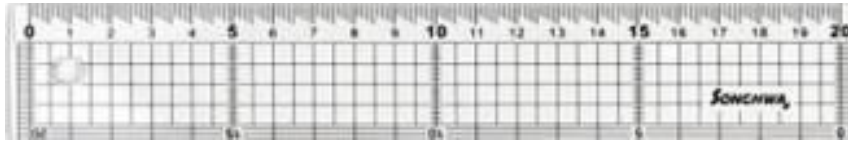
4 Jun 2019

Q1: Which looks longer?

A

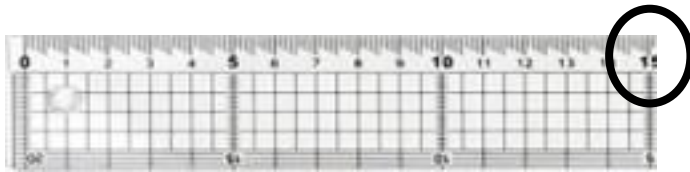


B



Q2: How much longer?

A



B



Accuracy



Faithful Representation

Q3: Which company would you like to invest in?



【 C 】

Net Income
\$10 billion

【 E 】 &
Social Value
\$ 2 billion

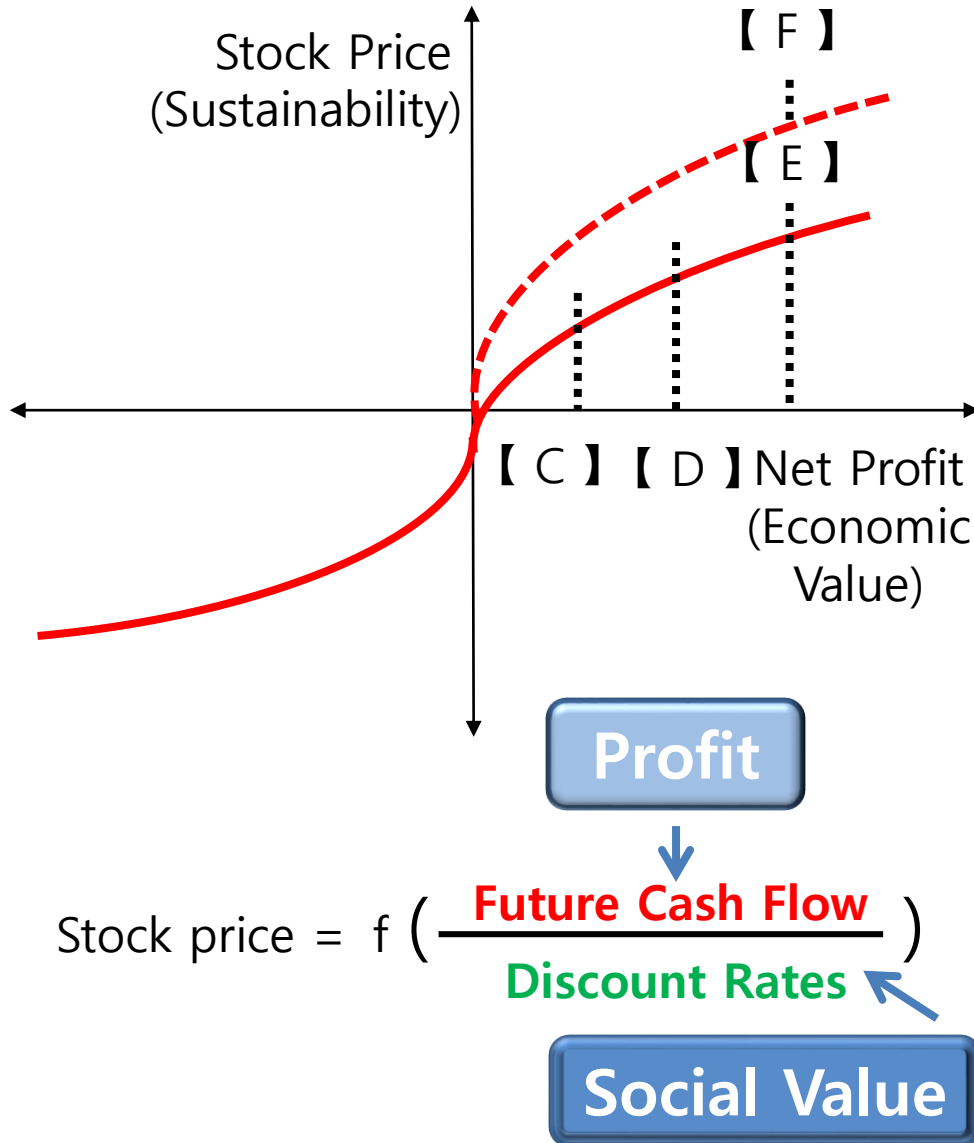
【 D 】

Net Income
\$10 billion

【 F 】 &
Social Value
\$ 5 billion

⇒ Information on
Social Values
in the form of Numbers.

Q4: Social Value & Sustainability ?



Q5: What is the social value ?

Social value is a "public outcome" that occurs directly and intentionally through **business operations** to solve social problems.

* a temporary one-time donation is not a business operation of generating social value.

Q6: How are social values measured?: Accounting Perspective

Principles of social value measurement

- 1) Meet definition of social value.
- 2) Document and disclose the social value that the company pursues.
- 3) Follow accounting standards.

Example

To reduce environmental pollution, company A developed a rechargeable light bulb and sold it for \$2,000.

Current

Sales	10,000
Cost of Goods Sold	6,000
Sales Profit	4,000



Measurement of Social Value

Sales		10,000
Social Value from Sales	2,000	
Cost of Good Sold		6,000
Sales Profit		4,000

IFRS

Q7: How is social value reported in Financial Statements?

Solving social problems through new products or services

Sales		10,000
Social Vale from Sales	2,000	
Cost of Goods Sold		6,000
Sales Profit		4,000

Sales		10,000
Cost of Goods Sold		6,000
Social Value from COGS	1,000	
Sales Profit		4,000

Sales Profit		4,000
selling & adm. expenses		2,000
Social Value from S&AE	1,000	
Operating Profit		2,000

【 Foot Note 】

#. Social Value	
Social Vale from Sales	2,000
Social Value from COGS	1,000
Social Value from S&AE	1,000
Total Social Value	5,000

SDG 232 indicators -> Sustain. Acctg. 1

SK

Net Assets	Abnormal Profits	Economic Value	Social Value	Total Firm Value
18,696	8,743	27,439	18,104	45,543

**THANK YOU
FOR LISTENING !**



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