

LECTURE 2: SOCIAL REPORTING

A. Social performance audits:

Businesses are increasingly aware of the importance of social and environmental issues for their reputation. Some are commissioning social audits relating to their social performance; these evaluate the effect of their behaviour in relation to their employees and to society as whole.

Supporters of social audits say that this social reporting is as important as financial reporting. They say that it provides important information for all of a company's stakeholders. This is part of the wider picture of stakeholder theory, the idea that companies have responsibilities not only to employees, customers and shareholders, but to all members of society affected by their activities.

Critics say that a social audit may just be a public relations exercise, with no real benefits.

B. Word combinations with 'social':

Social	Conscience	when companies believe that doing business involves moral and ethical issues
	Issues	areas of concern, such as unemployment, poverty, etc.
	Justice	the idea that people should be treated fairly and equitably
	Responsibility	when companies are concerned about the consequences of their activities on the community as a whole
	Welfare	payments for people who are unemployed, ill, etc.
	Well-Being	when work conditions are good and people are happy

C. Labour standards:

Giovanni Preston is in charge of social responsibility issues at Rancher Jeans, a Canadian multinational:

"A lot of our manufacturing is done by suppliers in developing countries. Companies in the clothing industry are particularly open to criticisms about **sweatshop labour** - the use of underpaid people with terrible **working conditions**, which amounts to **labour abuse** or **labour exploitation**.

My job is to travel to these countries and to check **labour standards**. I go there to check, for example, that our suppliers are paying their workers fairly and that they have a good **health and safety record**, with low levels of illness and accidents. We also ensure that workers are above the legal minimum age to work - we do not use **child labour**.

We are aware that high-profile companies such as ours are likely to be subject to **scrutiny** - seen and judged by people from outside. We know that if we are seen to be **socially responsible**, the company will benefit."

Note: Br.E: labour; Am.E: labor

2.1. Complete the sentences with correct forms of expressions from A opposite.

1. The management has to be aware of its wider responsibilities to the community, not just employees and shareholders, when presenting new proposals. This is sometimes called
2. There is a risk that companies in industries that are more renowned for polluting and exploiting than caring and sharing could adopt and use it to highlight their more ethical activities, purely as a
3. Auditors should also be required to report to a wider interest group than just the shareholders. These could include bankers, customers and suppliers, potential shareholders, employees and even government departments.
4. A group of experts looking at how company law operates is already considering whether companies should be forced to publish annual

2.2. Match the two-parts of these sentences containing expressions from A and B opposite.

<ol style="list-style-type: none"> 1. Brazilian society is maturing and adopting a model of economic development that balances economic growth, social 2. At present, the country has only a rudimentary social 3. The company is expanding its reporting of social 4. Business success can no longer be defined solely in terms of earnings, growth and the balance sheet as social 	<ol style="list-style-type: none"> a. welfare system in place to absorb the shock of millions of people being thrown out of work. b. justice and the sustainable use of natural resources. c. responsibility has become both an individual necessity and an organizational requirement, d. issues, and in a recent business statement pledged to safeguard the economic and social well-being of the communities in which it works.
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2.3. Giovanni Preston from C opposite continues to talk about his work. Complete his statements with expressions from C opposite.

1. I know that one of our competitors exploits poorly-paid people- working in very hot and crowded run-down buildings. They use
2. They don't pay attention to keeping the factory clean or well-ventilated and clearly don't care about their employees
3. I know for a fact that some of their workers are under 14 years old. They use
4. There is a very high number of accidents at their factory. They have a terrible
5. All these problems mean that overall the employers have dismal
6. This sort of behaviour is the worst type of
(2 possible expressions)

2.4. **Over to you:** Find out about social responsibility issues in an organization that you are interested in.