World Economics & Finance Bulletin (WEFB)
Available Online at: https://www.scholarexpress.net
Vol. 39, October, 2024
ISSN: 2749-3628,

MEASURING ENVIRONMENTAL COSTS IN APPLICATION OF SUSTAINABLE DEVELOPMENT STANDARDS TO IMPROVE THE FINANCIAL PERFORMANCE OF COMPANIES

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Article history:
Received: 10th July 2024
Accepted: 8th August 2024

Abstract:
The research aims to show the impact of social responsibility in industrial companies and their role in improving financial performance using one of the dimensions of sustainable development (environmental standard), and a sample represented by Company (X) for the production of mineral water in Baghdad has been withdrawn within the community of companies contributing to the Iraqi market to study the data of its financial statements and social responsibility reports for the year 2019 in addition to conducting some special interviews with factory managers and benefiting from the information that serves our current research after responding For their request that the name of the company remain unannounced, financial indicators have been used: net profit ratio, debt ratio, trading ratio, and a set of conclusions were reached, the most important of which is the absence of separate reports on social responsibility, while there are initiatives towards social responsibility, which negatively affects the improvement of its financial performance and thus the non-implementation of sustainable development programs, one of the most important recommendations is the need to pay attention to social responsibility in order to improve its financial performance as a step in investing in social responsibility and supporting sustainable development.

Keywords: Social responsibility, sustainable development, environmental criterion, financial performance, measurement of environmental costs

INTRODUCTION : Social responsibility is the latest development of accounting thought and as a result began to be paid attention to by the academic and professional sectors and the competent bodies in the market, and this is what made the sustainable development programs support them in a way that enhances the compatibility between them until the interest of stakeholders and the parties surrounding the company resort to following the goals and justifications of sustainable development and apply social responsibility, Therefore, the current research is a microcosm of a case study of an industrial company by reviewing its financial reality and how to measure its environmental costs in line with the requirements of sustainable development to improve its financial reality.

THE FIRST TOPIC / RESEARCH METHODOLOGY

The importance of research: The application of one of the sustainability standards is in itself a matter towards improvement, so how if it is associated with social responsibility, specifically environmental responsibility? Which constitute a source of sustainability and continuity of the company and its way towards competition, as well as the application of financial indicators to support the evaluation of the level of social responsibility in companies.

The research problem: What if environmental responsibility is applied by adopting the environmental standard for sustainable development, will it affect its financial performance? In other words, does investing in social responsibility have a positive impact on the company's financial performance?

Research hypothesis: **The company's** financial position improves when investing in social responsibility using the environmental criterion for sustainable development.

Research Objective: The research aims at the following things:

- Identify the environmental standard for sustainable development.
- Learn how to invest in social responsibility and its impact on the financial performance of companies.
- Evaluate the level of financial performance using financial indicators.

Society and sample research: The community is represented by Iraqi joint stock companies and a sample represented by a freshwater factory was withdrawn

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Research Standards: The following indicators have been adopted:

First: Social responsibility by adopting the environmental standard for sustainable development in the following form:

- Figure 1 Contribute to the reduction of harmful gases
- Figure 2 Use of clean energy
- Figure 3 Harmful insecticides

Second: Financial performance was evaluated through the use of the following indicators:

- Profit Rate: Net Profit ÷ Assets × 100%
- Debt ratio: Liabilities ÷ assets × 100%
- Turnover: Current Assets ÷ Current Liabilities × 100%

The second topic / theoretical framework

The first axis / social responsibility

Definition of social responsibility: The idea of corporate social responsibility (CSR) is not born of the current era, but dates back to ancient times in the days of the Mamluks and the rule of churches and wars and the destruction left by its impact on society and the environment, has grown the escalation of the general public due to poor economic conditions and deterioration of services (when the community is a small closed environment) what was on the leader of the group (governor or governor of the region) to issue a set of instructions and warnings aimed at preserving the environment, for example, prevent cutting Trees to a certain extent or prevent interference in the transformation of the natural environment such as demolishing a mountain or building a road in the middle of forests or occupying part of a lake ... Etc. However, the matter has evolved and complicated more after the industrial revolution brought about by globalization and the accompanying openness in the markets and the emergence of the element of competition in a way that exceeds the goal of maximizing profits that were prevailing until the beginning of the last century, the impact of the exploitation of projects for the surrounding environment has increased as a result of their work has included the impact (air pollution, water, exploitation of the energy of workers, the use of juvenile minors in hard work for a small wage, The spread of illiteracy for poor economic conditions and what affected the difficulty of continuing in education, poor health conditions, and others), and here the state alone did not promise to meet the requirements of the people as a result of private property projects, so it began to issue instructions and laws on what is known as social responsibility of companies towards society and the environment, but went beyond the matter to punish all violators until the sense of social responsibility grew.

Social responsibility has been defined by several definitions that differ according to the point of view of interested writers, but it is focused in almost the same direction, it was defined (Ismail, 2009) as "the strategies implemented by companies to manage their business in an ethical, community-friendly and beneficial manner in terms of sustainable development", as well as defined as "the company's commitment to protect and improve social welfare now and in the future. Through the benefits it will receive as a result of investing in sustainable development for stakeholders" (Lin et al, 55-63, 2009), as well as defined as "the commitment of the organization to make the most of its positive impact on stakeholders and reduce its negative impact on society" (Ferrell et al, 2008), while the Corporate Responsibility Index (2007) states that corporate social responsibility is achieved when development adapts all its actions and contributions in a way that meets the interest of society without exceeding ethical expectations or Legal and social for the multiplicity of views of stakeholders and their different interests . (Mohamed A. K. Basuony, 2014, 62)

Through the above, social responsibility is a strategic phenomenon with sustainable development and is integral to meeting and implementing the company's work by contributing to the organization or participation in many social activities, whose impact is evident in the future and not in the current period.

The importance of social responsibility: The importance of social responsibility for social companies is an important and useful process, which reflects positively on both the organization and society in general:

1. For the Company:

Financial return, advanced performance and social acceptance with society and others. The abundance of investment benefits and increasing profits, attracting and retaining distinguished labor, increasing the production capacity of employees and gaining their satisfaction. Forming a general positive mental image among the largest possible number of customers, ensuring their loyalty to the company, and developing the company's relations with the elements of the external environment. 2 For the community:

Achieving social stability as a result of the dominance of the concept of equality, providing opportunities and spreading a pioneering organizational culture

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ISSN: 2749-3628,

On social responsibility. Strengthening life in society, such as helping to solve the problems of unemployment and poverty, developing health and educational services, increasing income and compensation for workers and improving the standard of living. Achieving positive interaction between the company and companies Civil Society

Social responsibility is of great importance as a basic and important mediator linking the company and its members and members of society as a whole because it is an important and effective role both the company and the environment in which it operates, for the company it brings benefit and profits and for the company it is to reduce the social ills in society and develop the standard of living for individuals and development in all its forms so that society becomes aware of what it has to do of duties and rights.

Principles of Social Responsibility:

Among the most important researchers and social administrators who focused on the principle of social companies we find Caroll, who presented the most famous model, as this model in the field of social responsibility depends on four basic principles:

1. Economic responsibility: The idea of economic responsibility was primarily to focus Made on achieving profits for owners, management, employees and shareholders, "Drucker" by saying that corporate social responsibility is first to achieve economic profits that enable it to cover future costs if the company cannot achieve these profits, it cannot meet any Other social responsibilities, so the social responsibility focuses on the dimensions of economic and social and researchers believe that each of these dimensions is important and cannot focus on one and neglect the other, but must be in parallel with each other in order to achieve social responsibility in addition to achieving profit for the rest of the parties that are affected by the company's decisions such as providing products to consumers at reasonable prices and achieving Jobs with fair wages for employees, all of which must be done within the framework of the laws and regulations in force.
2. Legal responsibility: There are those who believe that social responsibility must abide by the law, meaning that institutions, when practicing their various activities and functions, must be consistent and identical with the system of laws and legislation in force, in addition to the pursuit of these institutions to achieve their profit goals.
3. Ethical responsibilities: Ethical responsibility is in the necessity of commitment of companies when carrying out their functions and tasks to follow Rules that conform to the system of values, controls, customs and traditions and respect for the basic and sub-cultures of society and its components.
4. Social responsibility: It is the basic principle in this dimension Social responsibility is to constantly search for methods and methods that help improve the quality of life for workers and members of society, through voluntary contribution of funds programs for the benefit of society by supporting local development programs, and this is what contributes to ensuring the survival and development of the company and improve its image in front of society. Through Caroll, we find that they are principles Interconnected and integrated so that the company should not focus on one principle and neglect the other principle, for example, not to focus on its social responsibilities without having met its economic, legal and ethical responsibilities and we can say that comprehensive social responsibility = responsibility

Economic + legal responsibility + moral responsibility + social responsibility We find with reference to the views on the basic interest of social responsibility according to these four principles on the one hand and on the other hand arranged according to the importance that reflects its interest, for example, the owners focus primarily on the economic principle, while customers focus on the moral principle first, as for the workers, what matters to them and the principle Legal, unlike the local community, which gives great importance to the principle of goodness from responsibility

Second Axis / Sustainable Development

Through the Stockholm Conference in 1972, which organized the United States of America, the concept of sustainable development, which became a requirement to achieve the needs of members of society and satisfy their desires, and linking development to sustainability came as a natural reaction to the fear resulting from environmental degradation and the emergence of a hole in the ozone layer due to the previously used development method, which resulted in negative effects on humans, natural and economic resources, which led to the emergence of a trend towards sustainable development. One of its objectives is to ensure the

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Available Online at: https://www.scholarexpress.net
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ISSN: 2749-3628,

preservation of the environment, social justice, and to ensure the continuity of economic resources and other matters. With the continued pressure on companies from various parties, such as environmental protection organizations and others, which necessitated them to prepare and report reports on sustainability, we learn about the concept of sustainability, concepts related to it and its dimensions.

The concept of sustainability:

The most prominent concept to describe a framework aimed at achieving economic and social balance while maintaining the long-term integrity of the ecosystem (2018: 251Beekaroo, et al.), and sees it (Al-Azzawi et al., 94: 2013) as a development that meets the needs of generations at the present time without depleting the needs of future generations, as defined by (Abdul Rahim, 22: 2015) as the ability to provide resources to the company without affecting its future need of the same resources, i.e. the use of these resources within the limits that make those resources viable. to self-renew,

Definition of sustainable development:

The Brundtland report assumed three elements of sustainable development (economic growth, social justice, and environmental protection) and stated in the report that economic, social and environmental development must be recognized in terms of sustainability in all developed or developing countries (2018:2, Paun). The problem is trying to meet current needs, which may damage the ability of future generations to meet their needs. The problems are not only limited to economic development or environmental quality, but also raise political and social issues, however, the great irony is that although the issues go beyond the capabilities of companies and businesses around the world, they also possess the resources, motivations, technology and global reach to achieve sustainability (Elkington, 1997:70**).**

Here the researcher sees sustainable development has many dimensions aimed at achieving a good life on the planet and that the dimensions (economic, social, environment) are interrelated elements

The evolution of the concept of sustainability and interest in it

The emergence and evolution of the concept of sustainability can be traced because of a number of initiatives that can be traced in the form of stages to clarify the idea and Table (1-1) summarizes this: (Ibrahim, 2016: 3-4) (2018:2-3, Paun) (2005:50khare,) (Rikabi, 2014:441)

Table (1-1)
The evolution of the concept of sustainability

Stages of intellectual development of sustainability	Period
The Club of Rome, which brought together a group of businessmen from several countries in 1968, discussed the need for research into areas of scientific development to allocate or determine growth in developed countries.	**Thinking about the development and change of the concept of development in 1968**
The Club of Rome took in a detailed report on the development of human society and the impact of this development in the exploitation of economic resources and published its forecasts until 2001, and one of its most prominent results on the path of economic growth in the world, is its warning of what will occur from the unrest during the twenty-first century due to pollution and soil erosion and other things	**Inclusion of development for the environment and man in 1972**

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ISSN: 2749-3628,

that occurred as a result of wrong human practices, In the same year, the United Nations Environment Summit was held in Sweden, where it presented a set of resolutions on economic development and the need to combine the environment with economic problems.	
In 1987 Gro Harlem Brundtland chaired the United Nations Commission that published a landmark report "Common Future". In this report, the Brundtland Commission coined the term "sustainable development", defining sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs".	**Official emergence of the concept of sustainable development in 1987**
The United Nations Conference on Environment and Development was held in Brazil in Rio de Janeiro and this conference was called the Rio Summit or the Earth Summit, and the outcome of this summit was several recommendations, the most important of which was giving a media dimension to the concept of sustainable development (sustainability) and developing future that contain several measures to achieve sustainable development.	**Information on sustainable development in 1992:**
The World Summit on Sustainable Development was held in Johannesburg (South Africa) in order to emphasize sustainable development internationally, which was emphasized by the Rio Summit in 1992, and that the outcome of the Johannesburg Summit is to present the challenges and opportunities for achieving sustainable development, as well as the announcement of the issuance of the Sustainability Reporting Guidelines modified by the Global Reporting Initiative (GRI), which represent instructions that companies can follow when disclosing sustainability reports.	**Start of reporting on the instructions for sustainable development in 2002**:
At this stage, another summit was held in Brazil in the Brazilian city of Rio de Janeiro , called the Earth Summit for Sustainable Development, and this summit was later called the "Rio + 20" summit, and the final statement of the summit stressed the promotion of the concept of green economy to preserve natural resources and the role of civil society organizations in achieving sustainability, as it gave freedom to countries to choose the approach that suits them according to plans National strategies and priorities for sustainable development.	**Strategic options for financing sustainable development in 2012 to present**

Dimensions of sustainable development:

The achievement of sustainability by achieving the link between its main dimensions, and that any defect in any dimension negatively affects the rest of the dimensions, and we will address the presentation of the dimensions according to different points of view, as follows:

1. Environmental dimension: This dimension is affected by companies in living and non-living natural systems, that sustainability was aimed at solving environmental crises resulting from the intensive industrial exploitation of resources and the continued degradation of the environment and primarily seeking to maintain environmental quality. The environment is all the natural and human elements, events and energies that are constantly at work that participate In maintaining the ecological balance of the planet, ecological development is capable of providing a good quality of life and protecting the environment, while maintaining the pace of sustainable development (Muscalu, et al.,2016:728)
2. Social dimension: This dimension refers to the relationship between nature and human beings, the advancement of people's well-being, the development of access to key educational and health services, the minimum standards of security, respect for human rights, the development of diverse cultures, and the effective participation of collective norms in decision-making (Abdulrahman, 2011:27), the idea of social issues is that these practices

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provide value to society and "give back" to society. Examples of such practices may include fair wages and the provision of healthcare coverage Apart from the ethical aspect, the abolition of social responsibility can affect business performance and continuity, and recent examples in industries have revealed that there is an economic cost associated with ignoring social responsibility (Alhaddi, 2015:8).

3. Economic Dimension: that The Economic Dimension of Sustainability affects The company in the economic conditions of its stakeholders and in Systems Local and national economic Loyal Global levels, and the company's stakeholders have to rely on traditional financial reporting for amelioration The purpose of the economic aspect as part of sustainable reporting is to provide information about the company's contribution to the sustainability of a broader economic system. (Monty, 2009: 21)

Third Axis / Financial Performance

Financial performance is one of the most prominent objectives of companies in general and economic institutions in particular, because the latter aims to increase profits so that the concerned parties in economic institutions can achieve this, identify their financial situation and predict the future of finance, which allows in light of this to make rational decisions. One of the methods of decision-making related to the institution, used in financial information, we find at the forefront of these indicators and financial ratios, which are one of the most prominent tools of financial analysis that together with other financial tools constitute an objective basis for expressing the financial and future status of economic institutions, taking into account the type and size of the institution.

Definition of financial performance: Some interested people believe that financial performance is the diagnosis of the financial health of companies to know the extent of their ability to create value and face the future; by relying on budgets, a table of cash flows, a table of changes in capital, and the conditions of the economy and the industrial sector to which the companies belong. On this basis, the diagnosis of performance is done by examining the economic return of companies and the rate of profitability growth.

As for evaluating the financial performance of the economic unit, it is defined as "the process of comparing the actual achievements and the planned or standard goals, and then limiting the quantitative and qualitative deviations between them, if any, and thus working to enhance the positive deviations and address those negative deviations." It is a group of studies that identify the extent of the ability and efficiency of the economic unit to manage its activity in various aspects of administrative, productive , technical, marketing and planning and know through a specific period of time and the extent of skill in converting resources into outputs of quality, quantity and appropriate quality, and indicate the extent to which it has seen in developing its efficiency in addition to improving the degree of success in the progress ofon homeopathic industries by overcoming difficulties, innovating in methods, developing in their field and being more productive"

Many researchers are interested in the concept of financial performance as an effective and distinctive tool that contributes to measuring the effectiveness and efficiency of management if the success of a company can be measured through its financial performance through the use of appropriate financial indicators that help renew the strengths and weaknesses in its performance and compare the results with the plans and strategies set in order to identify deviations and take the necessary remedial measures

The concept of financial performance: In general, achieving the purpose of a particular activity or profession is measured by the standard (Mardina & Dianata2018:261) and in terms of finance, performance is defined as the company's ability to manage and control its resources.

(Fathudin,et.al 2018:554) Researchers have differed in the definition of financial performance, as some focus on the company's ability to meet its financial obligations, as it indicates (MSSUA 2016:13) that financial performance is a composite of the global health of companies and their ability and desire to meet their long-term financial obligations and obligations to evaluate services in the future, while some focus on the results of the company's operations in financial terms if Amony points out, 2016:330) that financial performance is the process and measurement of the results of the company's policies and operations in monetary terms and the identification of the company's financial strengths and weaknesses by establishing relationships between the items of the financial position and the income statement These results are reflected in the company's profitability, liquidity or leverage Others focus in defining financial performance on the company's ability to generate revenue, as it is defined by Wanjohi, et.al 2017; 71) It is a measure of the extent to which a company uses assets to generate revenue.

The importance of evaluating financial performance: The success of a particular company is explained mainly by knowing the results of its performance during a certain period of time (AL-Matari, et.al.2014: 25) The subject of performance in general and financial performance in particular has become one of the most addressed aspects of researchers in the field of management science, as financial performance is one of the most used dimensions of performance in evaluating the performance of companies being the most stable and sophisticated dimensions (Hassan 2014: 216) indicates that the importance of corporate financial performance

1. Reflects the company's ability to achieve its goals
2. provides a set of information that makes the company able to know its financial situation, make appropriate decisions in the future
3. Determines the credit position of companies and their ability to meet their obligations
4. Evaluate the efficiency of the administrative apparatus and the effectiveness of achieving the company's goals
5. enables to know and follow up the activities and operations of the company as well as follow up the financial and economic conditions surrounding it

Steps to evaluate financial performance: There is no agreement between researchers on specific steps for the process of evaluating financial performance, as it is seen (2011: 19-18 Al-Mutairi) and that the evaluation process goes through several stages:
Planning stage: At this stage, budgets and estimated lists are prepared, then evaluation tools and objectives are determined.
Results comparison phase At this stage, the actual performance is compared with the planned performance for the purpose of knowing the extent to which the goals that have been set have been achieved
Stage after comparing the results: At this stage, it is determined whether there are deviations to analyze them, diagnose their causes and treat them
While Muhammad (2019: 501) believes that the stages of the performance appraisal process are

1. Obtaining financial statements related to the company's performance within a specified period
2. Determine the appropriate financial indicators such as (profitability, liquidity and leverage)
3. Extract the results and know the deviations, differences and weaknesses
4. Develop appropriate recommendations after knowing the causes of deviations and their impact on the company's performance for the purpose of treatment

Indicators for evaluating financial performance:
The performance indicator is a quantitative or qualitative indicator that reflects the status of the company's presentation (Piroozfar, et, al2012: 6332) and the financial ratios used from the data in the income statement and budget are crucial measurement tools in determining the performance of a user by summarizing and analyzing data related to providing meaningful information for decision-making as its importance is evident in identifying the strengths and weaknesses of companies in terms of liquidity, growth and profitability and indicates (Al-Hadithi 2010: 38-37) The evaluation of financial performance depends on financial analysis, which is defined as a series of financial methods that are used to determine the strength and weakness of companies as the financial ratios are mainly used in the process of financial analysis in order to compare previous performance with current and expected performance and determine the areas of deviation as it was added that most of the financial indicators used in the evaluation of performance (profitability ratios \ liquidity ratios \ activity ratios \ debt ratios) Hinnawi, Mohammed Saleh 2004
(Alenjagh 2013; 3479) believes that sales profits and capital profitability that were previously used to measure financial performance are not sufficient today for the valuation process, so companies frequently use financial ratio analysis to better understand their market positions and make financial decisions for the future.
Due to the difficulty or unreliability of non-financial indicators, financial indicators are generally used as a performance indicator, although there are several ways to evaluate the performance of companies because it is more used is to analyze financial ratios and the following table shows the totals of ratios that are often used in evaluating financial performance

table
Types of financial ratios

Activity ratios	Debt ratios	Profitability ratios	Proportions of Sola
Ratio of debt to total assets	Asset turnover	Total Profit Percentage	Turnover
Debt-to-equity ratio	Paid-up capital turnover rate	Net Profit Ratio	Cash Liquidity Ratio

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ISSN: 2749-3628,

Debt-to-equity ratio	Average credit period	Return on assets ratio	Percentage of net paid-up capital
Interest Coverage Rate	Debtor turnover	Net profit from capital ratio	Operating Cash Flow Ratio
Market Ratio	Average collection period	Earnings per share ratio	Cash Coverage Ratio

*Net Profit Ratio = Net Profit / Net Sales
Refers to the ratio of net profit to profits that the company was able to achieve through sales
*Return on Assets Ratio = Net Profit / Average Assets
The ratio of return on assets to profits collected from a company's assets refers to whether a company works efficiently in using assets to make profits.
There are several percentages for the calculation of civilians
* Debt to Total Assets Ratio = Total Debt / Total Assets
The ratio of debt to total assets refers to the ratio of the contribution of debt to the financing of assets
* Debt to Equity Ratio = Total Debt / Equity
The debt-to-equity ratio and equity ratios and equity equity ratios of capital and retained profits in financing the company's assets and liabilities
* Debt to Equity Ratio = Total Debt / Equity
The ratio of debt to equity and retained profits refers to the financing of a company's assets and liabilities
* Debt-to-equity ratio = total shareholders' equity
The ratio of debt to equity refers to the ratio of the contribution of loans to the financing of assets
Market Ratio:
Market ratios are used to evaluate the market's performance and position
*EPS = Net Profit / Average Number of Common Shares Traded during the Year
* Average Share Price Ratio Earnings = Market Price per Share / Earnings per Share
* Dividend Distribution Ratio = Dividends Distributed to Shareholders / Net Profit
* Retention Return Per Share = (Market Value per Share at the End of Period – Market Value per Share at the beginning of the period + Dividends per Share) / Market Value per Share at the beginning of the Period
* Return on investment per share = (share selling price - share purchase price + share share of dividends) \ share purchase price flew, Abdul Quddus: 2018

Fourth Theme: The impact of social responsibility using the environmental criterion for sustainable development in improving the financial performance of companies

Most studies, specifically experimental studies, indicate that a poll was held in 2011 on a different sample of consumers around the world on the preference of the products of a particular company, and it was found that the highest percentage, which reached approximately 66% of consumer customers, prefer products that belong to companies that have environmental contributions, i.e. their responsibilities The societal environment is visible and significantly, and this is a good percentage and explains that positive in favor of companies, which benefit them for several reasons, the most important: Ramez Shehadi & other,2013 , 4 (, (John Sullivan et al., 2015, 19)

1- Improving the reputation of the company based on efficiency and success in providing service or product and mutual trust between companies and stakeholders, and the extent to which environmental considerations are taken into account, as a good reputation makes the company able to continue and achieve profits and it enjoys good performance.
2- Ease of access to loans and bank credits, according to the modernization of the sustainability program and what is known as the Dow Jones Sustainability Indey DJST in 1999, which showed after the extracted results that the ranking of companies in the world is based on the degree of their consideration of social dimensions, environmental considerations and economic contributions.
3- Attracting the largest number of consumers as a result of the company's commitment to its social responsibilities, which are as an element to attract investment and even transcontinental companies.
4- Building strong relations with governments, so that companies are a means of solving crises and legal problems that the company is exposed to during its practices of economic activity.
5- Good risk management resulting from globalization, environmental commitment, respect for labor laws and its application, credibility and transparency, and thus represent a challenge for other companies.
6- Raising the company's ability to grow, develop and innovate.

THE THIRD TOPIC / THE APPLIED SIDE

About the company (x) Research sample: It is one of the private sector companies, work was started in 2011, it took a distinguished position in the markets in terms of the volume and marketing of its production, which motivated researchers to study it and stand on its most important results related to the determinants of research, and the year 2019 was chosen because it is

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the year in which the company appeared and it invests in social responsibility.

Company information (x): Since the current research is intended to come up with a result that proves or denies its hypothesis, so we must prepare some relevant accounting information in the following form:

First: The accounting information of the company (x) for the year 2018 (for valuation purposes) is shown by the feasibility of (1) as follows:

Table (1) Accounting Information of the Company (X) for the year 2018

Creditor	Debtor	Account Name
	17,633,488,791	Current Assets
	55,850,313,450	Total Assets
9,810,650,313		Short-term liabilities
42,446,238,222		Net profit

Table prepared by the researcher based on the data of the company sample research

Second: The accounting information of the company (x) for the year 2018 (for evaluation purposes) is shown by the feasibility of (2) as follows:

Table (2) Accounting Information of Company (X) for the year 2019

Creditor	Debtor	Account Name
	20,535,421,330	Current Assets
	54,850,313,450	Total Assets
14,658,256,145		Short-term liabilities
42,976,532,867		Net profit
	90,600,000	Solar Panels
	80,500,000	Insecticides
	70,000,000	Reduce harmful gases

Table prepared by the researcher based on the data of the company sample research

Applied Study:

First / Evaluation of social responsibility as follows: -

From Table (1) if we look at the apparent information to show that the company has no investment in the field of social responsibility and therefore, we note the net accounting profit apparent in the amount of 42,446,238,222 will be imposed on it income tax for companies at the rate of (5%) and as follows:

Tax amount for the year 2018 = 42,446,238,222 × 5% = **approximately 2,122,311,911**

If we look at Table (2), we will find that the company has environmental contributions with a total of (241,100,000), and on the basis of that, through interviews, it was found that the company that contributes to social responsibility is rewarded by deducting 2% of the tax, so the tax imposed on it is 3% as follows:

Net profit for the year 2019 = 42,976,532,867 − 241,100,000 = **42,735,432,867 Net profit after deducting social responsibility**

Tax amount for the year 2019 = 42,735,432,867 × 3% = **approximately 1,282,062,986**

We note that the amount of tax exemption has ,decreased by 3% as a result of the social contribution and the result of the difference in the tax amount is as :follows

2,122,311,911 − 1,282,062,986 = **840,248,925**

If we refer to the data for the year 2018, if the company had the same number of socio-environmental contributions as the year 2019, the calculation is as follows:

Net profit − amount of environmental liability × the amount of tax after downloading

42,446,238,222 − 241,100,000 = 42,205,138,222 × 3% = **approx. 1,266'154,147**

There is a difference between the tax amount for the year 2018 without environmental responsibility by 2,122,311,911 and the tax amount after investing in social responsibility by 1,266,154,147, i.e. a difference **of 856,157,764** in favor of the company

Second: Evaluation of sustainable development (environmental criterion) as follows:

Table (3) Air Pollution Elements

Indicators	Item
1	Contribute to the reduction of harmful gases -
2	Use of clean energy -
0	Pest control -

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Available Online at: https://www.scholarexpress.net
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ISSN: 2749-3628,

Table prepared by the researcher based on the data of the company research sample

Table (3) above shows that the company allocates amounts in reducing harmful gases, and this indicates that it has a good contribution in the year 2019, as well as an important contribution to the use of clean energy through its use of solar panels, while it does not have an environmental contribution to the fight against harmful insects in the study year, and this indicates the lack of complementarity of the idea of social responsibility (the environmental standard of the research sample company).

Third: Evaluation of financial performance: based on the financial indicators referred to and in the following form:

- Profit Rate: Net Profit ÷ Assets × 100%
- Debt ratio: Liabilities ÷ assets × 100%
- Turnover: Current Assets ÷ Current Liabilities × 100

Table (4) Evaluation of the financial performance of Company (X) for the skies 2018-2019

Impact	2019	2018	Financial Performance Indicators
2%	%30	%32	Debt Ratio
2%	%78	%76	Net Profit Ratio
1	1.9	1.8	Turnover

Table prepared by the researcher based on the data of the company research sample

Table (4) above shows the evaluation of the company's financial performance with a significant improvement, even by a percentage in favor of the year 2019 compared to the year 2018 as a result of contributing to social responsibility.

CONCLUSIONS

1- Social responsibility is the latest aspirations of accounting thought towards social trouble because of the motivation and urge the support of the state.
2- There is an organized trend towards contributing to social responsibility, as a result of the aspirations and expressed by sustainable development programs.
3- Through the applied study, it was found that the surveyed company did not have social shares before 2018, and therefore did not enjoy the privileges of social responsibility, the most important of which are discounts and tax exemptions.
4- A significant improvement in the amount of profits for the year 2019 over 2018 despite the social contribution of 241,100,000, and thus the company enjoyed tax exemption.
5- There is an aspiration for the company in the future if it continues to contribute to social responsibility.
6- The company did not have clear reports on social performance, but we relied on interview data.

RECOMMENDATIONS

1- It is necessary to pay attention to social responsibility and make it a subject taught in universities under the name of social responsibility accounting, and thus be a tool for implementing its content legally.
2- The company should conduct continuous introductory courses for its employees about the latest aspirations of accounting thought so that companies are aware of what serves their interests.
3- The company must continue its social contributions and diversity in the service of society and thus to enjoy a number of privileges.
4- The company should improve its financial performance by making comparisons and identifying defects.
5- It is necessary for the company to see the state of similar markets for the purposes of competition and continuity in the market.
6- The company should pay attention to preparing separate reports on the performance of social responsibility to contribute to rational decisions.

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