ASSET

Accounting for Sustainability,
Social and Environmental Transparency

Glossary

Sustainability management accounting

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Balanced Scorecard (BSC)	A strategic management tool that combines financial and non-financial measures to monitor how effectively an organization is achieving its objectives. It helps translate strategy into measurable goals and actions.
Strategy Map (SM)	A visual framework that shows the relationships between strategic objectives across different perspectives. It illustrates how improvements in one area can drive success in another.
Sustainable Balanced Scorecard (SBSC)	An evolved version of the BSC that explicitly includes environmental and social objectives as part of the strategic management process.
Key Performance Indicator (KPI)	A measurable indicator used to evaluate progress toward a specific objective. KPIs help organizations track performance over time and support decision-making.
Sustainability	The ability to create long-term value by balancing economic success with social responsibility and environmental protection. It focuses on meeting present needs without harming future generations.
ESG (Environmental, Social, Governance)	The three central factors in measuring the sustainability and ethical impact of an investment in a business or company.
Stakeholders	Individuals or groups affected by a company's activities, such as employees, customers, suppliers, investors, communities, and governments. Their expectations influence organizational strategy and performance.
Financial Perspective	One of the four traditional BSC perspectives, focused on profitability, revenue growth, cost management, and financial sustainability.
Customer Perspective	The BSC dimension that evaluates how customers perceive the organization.
Internal Process Perspective	Focuses on the efficiency and effectiveness of internal operations. It identifies the processes the organization must excel at to deliver value to customers and stakeholders.
Learning and Growth Perspective	The BSC perspective related to employee skills, knowledge, innovation, and organizational culture. It supports continuous improvement and long-term development.
Cause-and-Effect Relationship	The logical connection between objectives and actions across perspectives.
Strategic Objective	A clearly defined goal that supports the organization's mission and long-term strategy. Strategic objectives guide actions, initiatives, and performance measurement.
Performance Measurement	The process of collecting and analysing information to evaluate organizational effectiveness and progress toward objectives. It supports accountability and continuous improvement.
Sustainable Value Creation	The ability of an organization to generate economic, social, and environmental benefits simultaneously. It reflects a long-term approach to business success.