

# THE ALGORITHM FOR RECOGNIZING THE RESULTS OF ESG-BEHAVIOR OF BUSINESS IN FINANCIAL REPORTING IN THE CONTEXT OF THE IMPERATIVE OF ITS TRANSITION TO THE SOCIO-ECONOMIC MODEL

PATENT, PATENT APPLICATION: Certificate regarding the registration of copyright objects and related rights.

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APPLICATION FIELDS: Compartimentul II „Proiecte de inovare și transfer tehnologic. Proiecte de cercetare. Monografii”

AIM: Development of algorithm for presenting information on the ESG-triad of business activities in financial statements in the context of the imperative of transition to a socio-economic model of reporting.

SOLUTION: Conceptual interpretation of the scheme of recognition of ESG-results of SR-businesses as elements of financial statements in the context of the indicated trend - the imperative of transition to the socio-economic model of reporting.

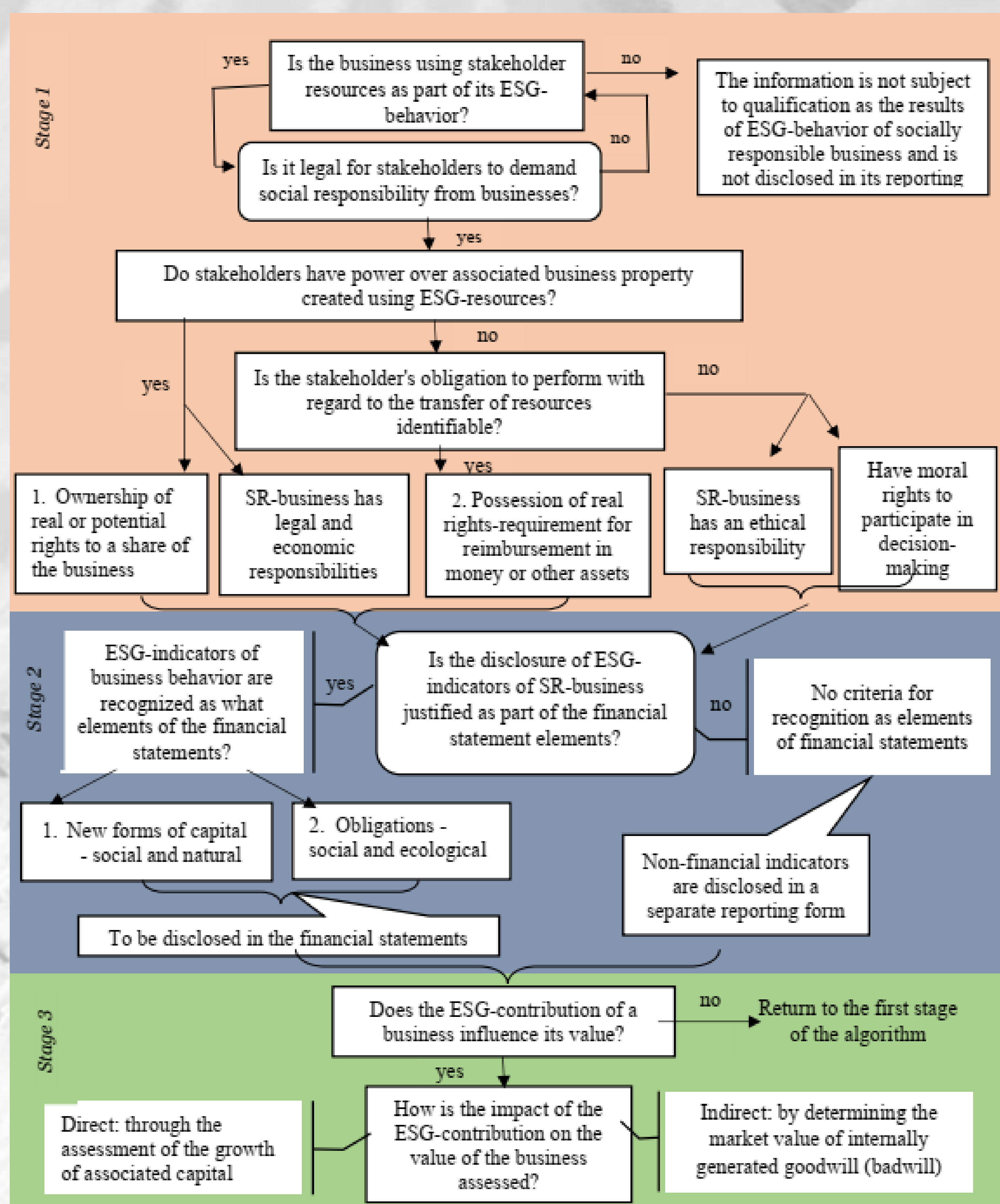


Figure: Algorithm of recognition of the results of ESG-behavior of business in the context of the transition to the socio-economic model of financial reporting

## Originality

- 1 The concept of SR-business was interpreted in the context of the modern interpretation of associated property
- 2 The point of convergence of economic theory and social concept - powers and rights of stakeholders in relation to associated business property - was identified.
- 3 A scheme for recognizing as elements of financial statements the results of ESG-behavior of SR-businesses has been developed
- 4 The methods of influence of fulfillment of ESG-obligation of business on its value are established: directly - at recognition of its results in accounting objects (capital or liability), indirectly - at qualification of its results as intra-created goodwill (badwill).

ADVANTAGES: identifies the criterion for recognizing the results of the ESG-behavior of SR-businesses as part of accounting items; conceptually interprets the scheme of presentation of information about the fulfillment of ESG-obligations of the business in its reporting: financial and non-financial; provides an assessment of the impact of the ESG-contribution of the business on its value as a whole; contributes to the development of a socio-economic balance sheet model that informs impact investment decisions.

IMPLEMENTATION STAGE: at the level of research by the existing enterprise

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