

Posters

Corporate Environmental Disclosures: A Survey of the Current Practices of Japanese Companies

Peter A. Stanwick
Auburn University
Department of Management
(334) 844-6517 (P)
(334) 844-5159 (F)

PSTANWIK@BUSINESS.AUBURN.EDU

Sarah D. Stanwick
Auburn University
School of Accountancy
(334) 844-6205 (P)
(334) 844-5875 (F)

SSTANWIK@BUSINESS.AUBURN.EDU

The purpose of this study is to examine the current practices of Japanese companies and organizations pertaining to their development of a formal environmental policy and the disclosure of the firm's overall commitment to environmental issues.

A total of 48 Japanese firms were used in this study. The firms were selected based on the diverse representation of different industries. Each of these firms had a detailed description of their environmental disclosures. The 48 firms come from sixteen different industries. Those industries are categorized by the authors into four major categories which are: heavy manufacturing, non-profit organizations, service firms and consumer products firms.

The types of disclosures were classified into seven major categories which are environmental certification, environmental reporting, environmental processes, environmental strategies, environmental measurements, environmental community efforts and environmental compliance. A total of 449 disclosures were identified for these 48 firms. The disclosures were then analyzed by comparing the type of disclosure by industry. Four hypotheses were empirically tested in this paper.

The four hypotheses were: H1: non profit organizations will have the lowest number of environmental disclosures in each environmental category, H2: heavy manufacturing firms will have the highest number of disclosures pertaining to: environmental processes, environmental compliance and environmental community efforts, H3: consumer products firms will have the highest number of disclosures pertaining to: environmental certification, environmental reporting, environmental strategies, and environmental measurements, and H4: firms in the service industry will not have the lowest nor the highest levels of disclosures in each of the environmental categories.

The results support the hypotheses presented in this paper. Non-profit organizations had

the lowest average number of environmental disclosures for all categories except environmental compliance, where it is the second lowest. Therefore, Hypothesis 1 is partially supported. Heavy manufacturing firms had the highest average level of disclosures for environmental processes and environmental community effort, but not environmental compliance so Hypothesis 2 is partially supported. Consumer products firms had the highest level of average disclosures pertaining to: environmental certification, environmental reporting, environmental strategies, environmental measurements, so Hypothesis 3 is supported. Firms in the service industry had neither the highest nor lowest average number of disclosures in all categories except for one, so Hypothesis 4 is partially supported.