Environmental disclosures in the annual report

 A number of studies to date on why companies disclose environmental information in their annual report indicate that legitimacy theory is one of the more likely explanations for the increase in environmental disclosure since the early 1980s. The theory of legitimacy is based on the premise that in order to continue to operate effectively, corporations must operate within the limits of what society describes as socially acceptable behavior. The purpose of the practical studies carried out and reported in this document is to extend the possibility of applying and predicting the power of legitimacy theory by examining the extent to which the annual reports disclosed are interrelated: attempts to obtain, maintain and repair id cards; and the choice of specific legitimacy tactics. The quasi-experimental method used semi-structured interviews with senior employees of three large Australian public companies. The findings supported the theory of legitimacy as an explanatory factor for the disclosure of environmental information. In addition, findings are made regarding the likelihood of specific micro-legitimisation tactics being used in response to legitimacy that threatens environmental issues/events and whether the purpose of the response is to obtain, maintain or repair legitimacy. Environmental Disclosure Case studies O'Donovan, G. (2002), Environmental disclosure in the annual report: Extending the applicability and predictive power of legitimizing theory, Accounting, Auditing & Accountability Journal, Vol. 15 No. 3, p. 344-371. Download as . RIS : MCB UP Ltd Copyright © 2002, MCB UP Limited Please note that you do not have access to didactic notes You can access your teaching notes by logging in via Shibboleth, Open Athens or using your Emerald account. If you think you should have access to this content, click the button to contact our support team. To read the full version of this content, select one of the following options You can access this content by logging in via Shibboleth, Open Athens or your Emerald account. If you think you should have access to this content, click the button to contact our support team. Tom 31, Issue 3, 1996, Pages 293-331 Environmental statement reporting environmental violationsSee full text The purpose of this document is to analyse reporting practices found in the annual reports published by companies operating in Spain, and to identify the development of these practices during the period 1992 to 1992-4, on the basis of stakeholders' theories. For this analysis, we analysed the annual reports of the seventy large companies operating in industries considered to be sensitive to the environment. Reporting practices are grouped into several categories, as follows: type of environmental reporting provided; sections of the annual report on environmental reporting; environmental policies and projects; environmental action and achievements; environmental data in the annual accounts. Finally, we considered whether the fact that a company is listed on a stock exchange, whether the parent company is established abroad or belongs to a regulated sector, is a differential factor with regard to environmental reporting behaviour. The main conclusions are as follows: The environmental reporting of these sampled companies is generally narrative, although there has been an increase in both quantitative and financial reporting as well as the number of companies they report. The factors analysed do not allow us to detect significant differences, except whether the parent company is established abroad. Accordingly, there is no relevant evidence that, during the period under review, the environmental reporting behaviour of the Spanish company's management sought to satisfy its stakeholders. , 26 February 2003 | New York Overview Is environmental information a material for investors? If so, when? And do companies disclose this information in a way that would allow analysts and fund managers to accurately assess its financial impact? At its March 2002 meeting on environmental disclosure, the North American Environmental Cooperation Commission concluded that environmental information reported by companies (whether in accordance with the mandate of securities regulators or voluntarily) was rarely used in mainstream financial analysis. The current meeting reviewed the lessons learned in previous workshops and the explanations that have been suggested due to the lack of demand for environmental information from the mainstream financial community, namely: Lack of specificities regarding environmental disclosure requirements in securities law and minimum enforcement of existing requirements. Financial sector executives are sceptical about the financial impact of environmental commitments. The absence of relevant and comparable environmental information that is reported makes comparative analysis impossible. The February meeting was held in cooperation with the United Nations Environment Programme Financial Initiatives (UNEP FI), supported by PricewaterhouseCoopers LLP and the American Bar Association Section of Environment Energy and Resources, and hosted by HSBC at their Offices in New York. Seven main themes emerged from this meeting: reporting requirements for are subjective Many stakeholders are requesting, and many companies report non-specifically regulated information information that appears to be potentially relevant, often unported reporting requirements because it relates to environmental information, is often unenforceable Lack of enforcement, and definitions discourage the disclosure of potentially relevant environmental information The need for financially relevant and understandable methods of including environmental information for financial analysis Next steps/key results, including: Call for further debate. Call for further development of internationally reliable quantitative studies on the financial materiality of environmental information. Call on the government to enforce existing laws and apply GAAP accounting standards. Call on industry and civil service to cooperate on: Develop sector-specific information practices that will enable in-depth analysis of information in coordination with financial information. Clarification of the existing regulatory framework. Ram.