

Information Disclosure Strategy for Enhancing Corporate Environmental Management 企業環境管理強化への情報開示戦略

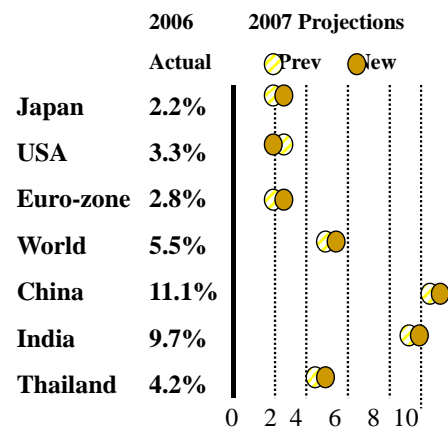
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Target Countries of CEM Project at KRC (FY2007-2009) CEMプロジェクトの研究対象国

Project Title: Proactive Policies and Business Strategies for Strengthening Corporate Environmental Management in Developing Asia

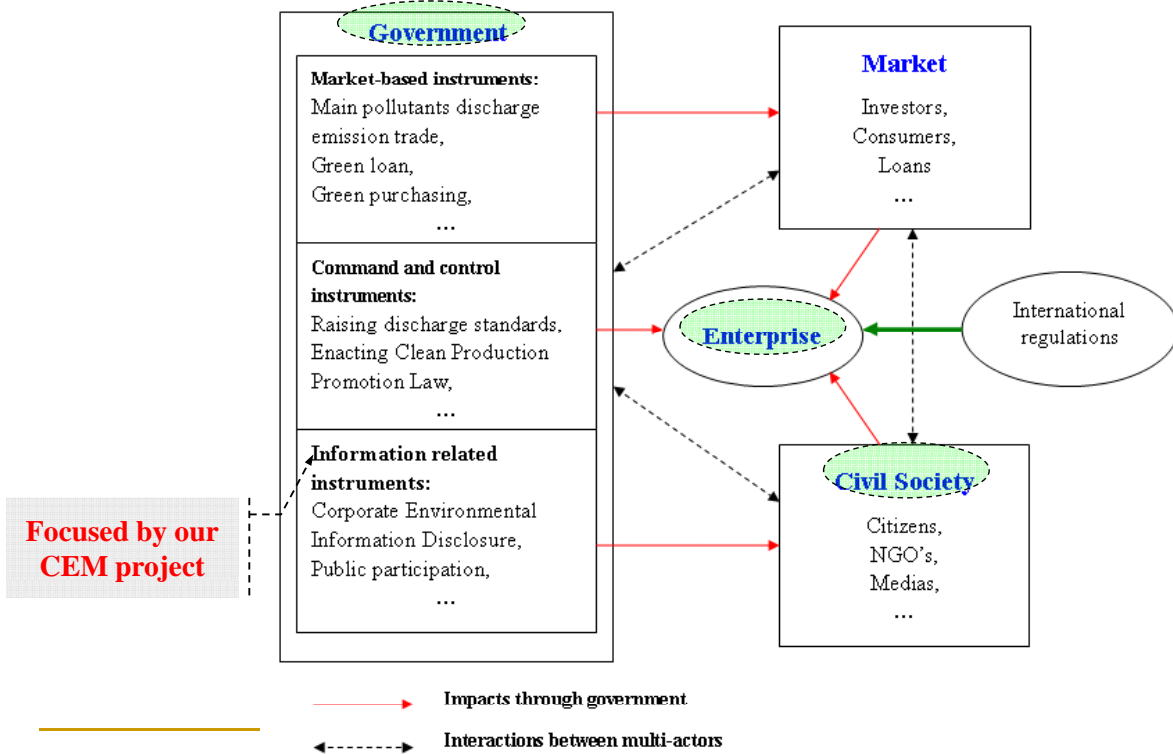


Economic Growth (Source: IMF)



Overall Policy Frame for Enhancing CEM

CEM促進への政策枠組み



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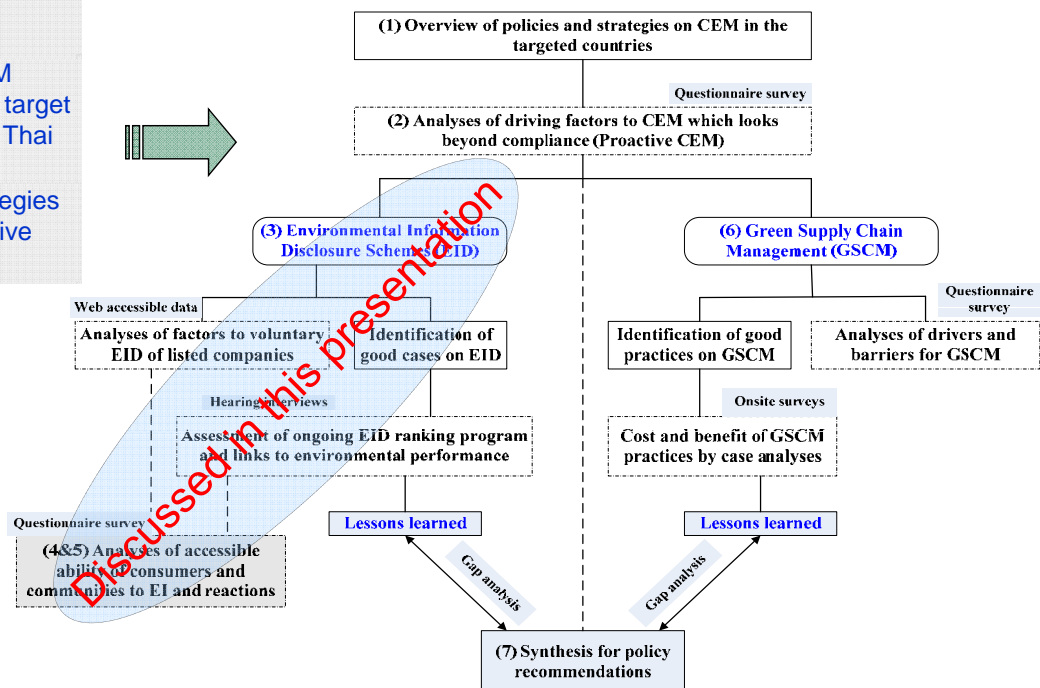
3

Components of CEM Project at KRC/IGES

IGES関西研究センターのCEMプロジェクト構成

Objectives:

- ✓ Overview CEM practices in three target countries (China, Thai & India);
- ✓ Examine strategies enhancing proactive CEM efforts.

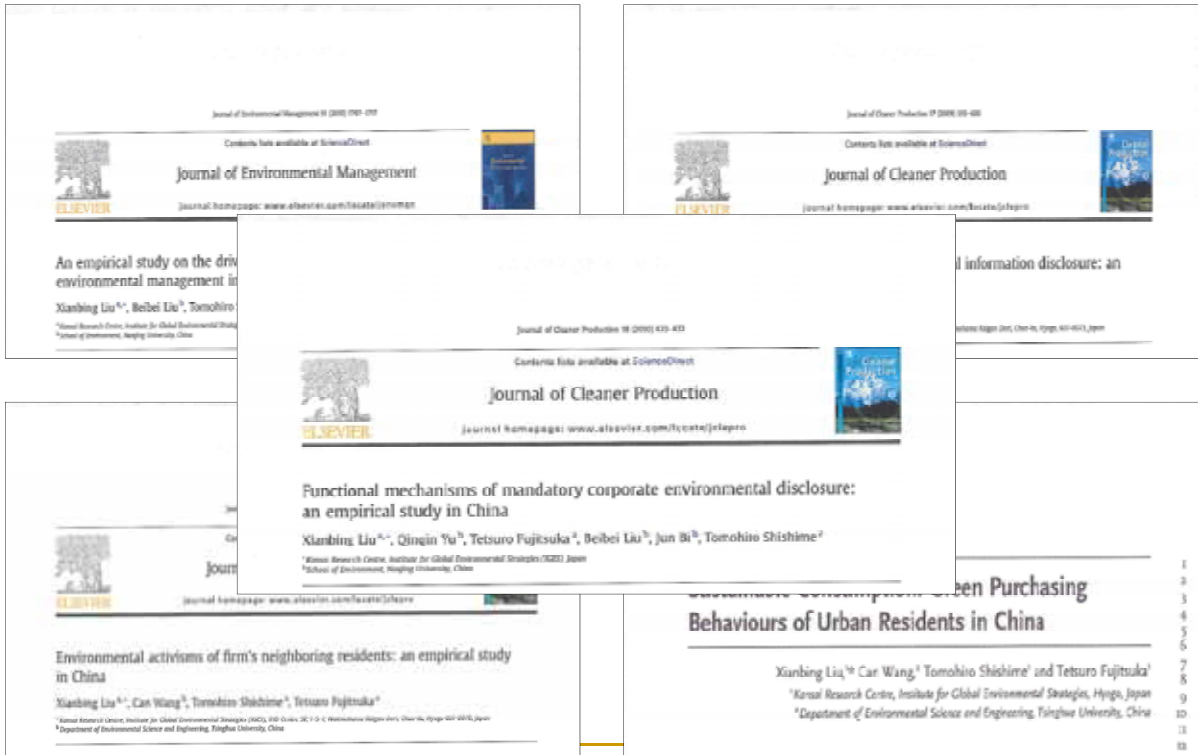


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4

Research Outputs of EID Part EID研究成果物

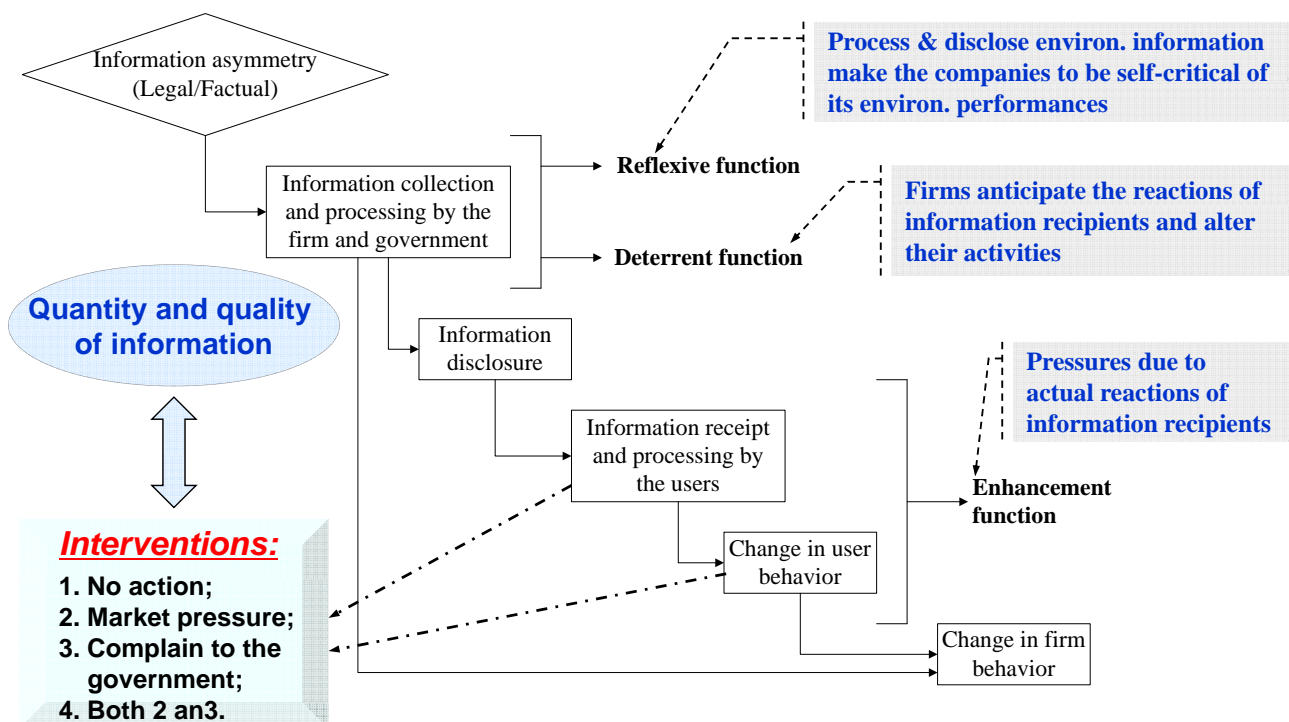


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5

Functions of EID Strategy EID政策の働き



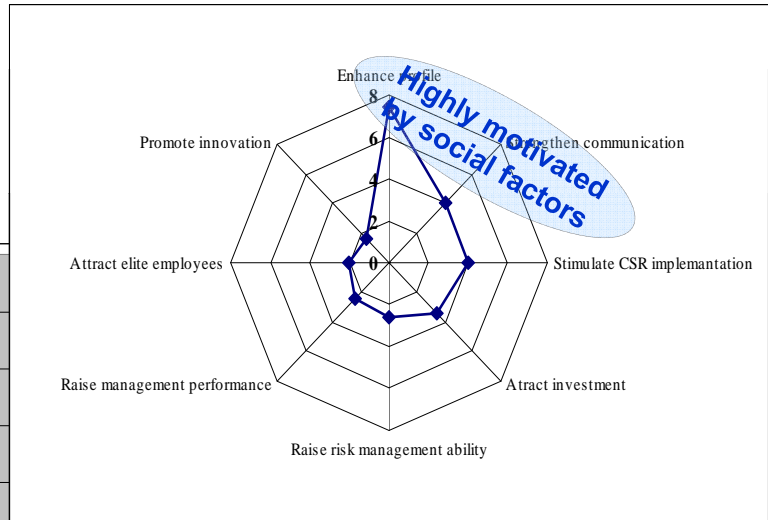
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6

Voluntary EID in China 中国に自主的なEID

Number of companies with environ. reports (As of Apr., 2007)
Source: www.syntao.com



Factors of voluntary EID
Source: (Guo, et al., 2007)

Voluntary EID of Indian Companies インド企業の自主的なEID

Sector	No. of firms			Sector	No. of firms		
	Private	Public	Total		Private	Public	Total
Manufacturing	60	17	77	Service/Others	38	32	70
Automobile	6	0	6	Banking and financial services	6	20	26
Automobile ancillaries	3	0	3	Computer software	8	0	8
Cement	7	0	7	Hotel and tourism	2	0	2
Chemicals	2	0	2	Media	2	0	2
Cosmetics	1	0	1	Storage and distribution	0	3	3
Food and beverages	1	0	1	Trading	1	0	1
Machinery	8	5	13	Diversified	4	5	9
Metal and metal products	6	3	9				
Refinery	2	7	9				
Textiles	1	0	1				

Environ. information on the web or annual report of 47 most valuable companies from 23 sectors was qualitatively monitored (Source: Indian CEM report)

Inf. Items	Manufacturing			Service/Others			In total		
	Private	Public	Total	Private	Public	Total	Private	Public	Total
Green supply chain initiatives	11.7	0	9.1	10.5	0	5.7	11.2	0	7.5
Green operations	86.7	76.5	84.4	55.3	25.0	41.4	71.5	42.9	64.0
Climate change initiatives	3.9	0	10.4	10.5	6.3	8.6	11.2	6.1	9.5
Renewable energy initiative	2.7	41.2	26.0	7.9	34.4	20.0	16.3	36.7	23.1

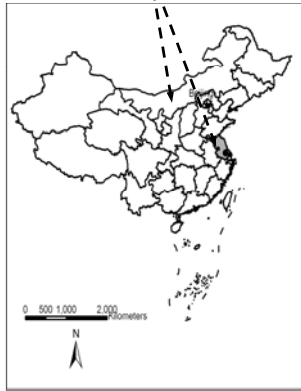
Observations:

- ◆ Higher EID level of manufacturing sectors than service sectors;
- ◆ Private companies are active in EID than the public ones;
- ◆ Unable to judge the information quantity and quality as just data of occurrence frequency;
- ◆ Marginal voluntary EID in India.

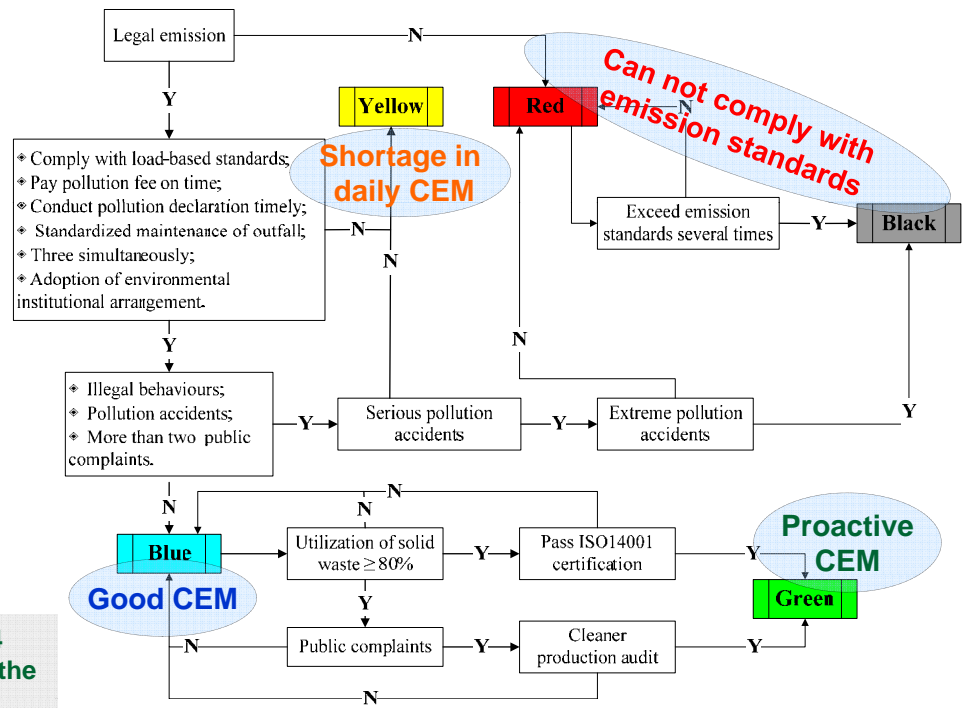
Mandatory EID Program in China

中国に強制的なEIDプログラム

Pilot projects in Jiangsu and Inner Mongolia



As of June, 2008, 16,464 companies participated in the program in Jiangsu



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9

Behavioral Changes of Participating Firms

参加企業の行動変化



Sector	2005		2006	
	Number	Percentage	Number	Percentage
Dyeing and textile	90	43.9	107	43.1
Chemicals	59	16.1	57	14.9
Metal processing	20	9.8	22	8.9
Pulp and paper	7	3.4	7	2.8
Power plant	8	3.9	10	4.0
Sewage plant	14	6.8	17	6.9
Others	33	16.1	48	19.4
In total	205	100.0	248	100.0

Distribution of program participating firms (Sourced from local EPB)

Changes of rating results of 2005 and 2006 (Sourced from local EPB)

Rating results of 2005	Rating results of 2006					In total
	Black	Red	Yellow	Blue	Green	
Black	0	0	0	0	0	0
Red	7	19	20	3	0	49
Yellow	0	7	66	27	0	94
Blue	0	0	21	29	1	51
Green	0	0	1	2	4	7
In total	7	26	102	61	5	201

Annotations: 70% shared by top three sectors; Promoted: 51; Maintained: 56%; Demoted: 38.

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10

Functions of EID Program EIDプログラムの働き

Function items	Obs.	Mean	Std. dev.	Min.	Max.
Panel A: Program effects perceived by the firms					
a. Enhanced enforcement by environmental bureaus	32	2.22	1.18	1	5
b. Complaints and protest of neighboring communities	32	2.69	1.26	1	5
c. Complains and boycotts from environmental NGOs	30	2.31	1.38	1	5
d. Boycotts of individual consumers	30	2.16	1.53	1	5
e. Decreased trust and cooperation of business partners	31	2.59	1.04	1	4
f. Reduced investment from the investors	31	2.38	1.39	1	5
g. Stricter checking or suspend of the loan from banks	29	2.94	1.64	1	5
Panel B: Actual pressure felt by the firms after the disclosure					
a. Enhanced enforcement by environmental bureaus	31	2.45	1.26	1	5
b. Complaints and protest of neighboring communities	31	2.68	1.40	1	5
c. Complains and boycotts from environmental NGOs	30	2.19	1.30	1	5
d. Boycotts of individual consumers	30	2.19	1.33	1	5
e. Decreased trust and cooperation of business partners	32	2.94	1.29	1	5
f. Reduced investment from the investors	32	2.72	1.44	1	5
g. Stricter checking or suspend of the loan from banks	31	2.59	1.58	1	5
Panel C: Role of the program to firm's internal modifications					
a. Better processing of internal environmental information	31	3.19	0.95	1	4
b. More aware of the environmental compliance status	31	3.26	1.01	1	5
c. Better coordination of internal organizational units	31	3.32	1.11	1	5
d. More self-critical of environmental performance	31	3.32	1.11	1	5
e. Making environmental efforts proactively	31	3.61	1.09	1	5

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11

Major Findings and Policy Implications

主要研究結論・政策含意

- Marginal level of voluntary EID in India and China;
- The statistical summary shows the efforts of mandatory EID program participating companies;
- The worse environmental performers would more likely improve their environmental performances;
- Lack of CEM capacity and poor daily environmental maintenance are problems for worse rated companies;
- Interviews confirm a major objective of CEM in China to be compliance of regulations;
- The EID program has generated less pressures from external stakeholders other than the government for enhancing CEM;
- EID strategy could work effectively in combination with other policy tools;
- Due to the sensitivity of firms to market stakeholders, further efforts shall be made to provide the market actors with easier access to environmental information of companies.

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12

Thank you for your attention!

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