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Environmental Disclosure Practices in India: Evidence from Top 50 Companies of Bse

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Abstract: *Corporate reporting is one of the crucial aspects for smooth functioning as well as sustainability of the organisation. Environmental reporting has become an emerging issue before every corporate, sincestakeholders are becoming more and more environmentally conscious day by day. This paper attempts to study the conceptual aspects of corporate environmental reporting and its regulatory framework. It also examines the consistency of Indian corporate in disclosing environmental factors as per GRI guidelines, as GRI is the popularly adopted guideline among the corporate world. It also makes an attempt to identify the extent of environmental disclosure under GRI guidelines by sample companies. For the purpose of the study top 50 Indian companiesof on the basis of market capitalisation which are listed in the Bombay stock exchange, have been taken as sample and their annual report for the year 2014-15 have been analyzed to reveal the consistency of disclosure of environmental aspects and to find out the extent to which they are disclosing these aspects. Statistical tools like coefficient of variation, proportion test and chi square test has been used for analyzing the objectives.*

Keywords: *BSE, Environmental reporting, GRI, Mandatory regulation for disclosure, Voluntary regulation for disclosure*

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I. Introduction

"Environment", in general refers to surroundings of an object. Today the corporate world is facing the twin problem of economic growth and conservation of its surroundings.The economic development without environmental considerations can cause various irrecoverable environmental damages, which in turn endangers the life of present as well as future generations.In fact the industrial & business activities are directly or indirectly responsible for birth to the remarkable incidence like Bhopal gas leak and many more.

According to the "Indian Constitution" (Article 51A of Directive Principles), "It shall be the duty of every citizen of India, to protect and improve the natural environment (including forests, lakes, rivers, and wildlife) and to have compassion for living creatures."Corporate are major part of the society which sustain by using scarce resources of the environment. Being a corporate citizen it is the duty of every corporate to put possible effort to conserve natural resources. In this era people are becoming more environmentconscious day by day.Hence corporate should communicate about their environmental responsible activities in their annual report in order to attract green stake holders.Environmental reporting is a process of preparing and communicating environmental activities of a business to its stakeholders.There are many laws and regulations in the world as well as in Indiawhich deal with disclosureof environmental information by thecompanies intheir annual reports. Though preparation of this report is not mandatorily followed in India, yet many companies are reporting about their environmental activities which in turn have a positive impact on its economic performances & market position.

II. Literature Review

- **A sahay (2004)** had made a study regarding the environmental reporting by Indian corporations and found that environmental reporting by Indian corporations lags significantly behind that found in the developed world except for a few companies. The reporting in general is unsystematic, piecemeal and inadequate.
- **Kuhalimukherjee, Mitalisen and J.K pattanayak (2010)** has attempted to study the influence of a number of firm characteristics on environmental disclosures made by Indian companies in their annual report and concluded that the legitimacy, stakeholder and agency theory act together in explaining environmental disclosure practices of Indian companies.
- **Gurdipsinghbatra (2013)** has undertaken a study on environmental management and environmental disclosure by making a comparison of corporate practices across Malaysia, Singapore and India. The study

concludes that in the recent era, the corporate generally linking environmental disclosures and financial performance which provide an incentive for companies to increase the content of their environmental management and reporting in their reports.

- **Anita shukla (2013)** conducted a survey on the environmental accounting & reporting in India and found that industries provide only less information about the environmental issues and also not providing the information related to the environmental expenditure & environmental cost.

III. Research Gap

Environmental reporting is an emerging issue in this 21st century. The importance of this reporting has been increasing in rapid manner. Though it has not been widely adopted by Indian corporate yet, it provides a broad platform for research work. Particularly very less number of studies has been conducted on consistency and extent of disclosing environment aspects by the Indian corporate, which induces to conduct a research in this area, to enrich the literature and derive updated findings.

IV. Relevance Of The Study

At present the world is facing from a lot of serious environmental hazards. As the corporate citizens have a major contribution in this environment pollution, there has been increasing consciousness among the citizens, which in turn brings a responsibility for the corporate to put best effort to reduce their negative impact and report their performance in their annual report. The present study is an attempt to discuss about the regulatory (voluntary and mandatory) for environmental reporting and it also analyses the reporting practices of Indian corporate. This study will bringthe attention of the many corporate, influencing them for reporting their environmental activities, the wide spread stakeholders for taking decision by considering reported environmental aspects, the varied regulators for updating their regulatory aspects and various researchers & professionals in their respective fields.

V. Objective Of The Study:

- To study the conceptual aspects of corporate environmental reporting & itsregulatory framework.
- To examine consistency in disclosing environmental factors among Indian corporate as per GRI guidelines.
- To identify the extent of environmental disclosure under GRI guidelines by sample companies.

VI. Scope Of The Study:

The study is confined to Indian corporate only. Data is collected from secondary sources through purposive sampling method.The period of the study is from 2014-2015.

VII. Research Methodology

7.1 Sample size: For the purpose of the study purposive sampling method has been used. Top 50 companies on the basis of market capitalisation of Bombay stock Exchange (BSE) –the oldest stock exchange of Asia are chosen.

7.2 Method of Data Collection: Data are collected from secondary sources like internet, periodicals, magazines, newspapers, articles etc in order to study existing literature. Mostly annual reports of sample companies are followed to collect major data regarding their environmental disclosure.

7.3 Procedure for Analysis: In order to analyze the data collected, Manual content analysis technique has been used. The study is based on the annual reports of the sample companies. Variations in corporate environmental reporting have been examined on the basis of disclosures made regarding different items covered in index. For the purpose of study, Global Reporting Initiative (GRI) disclosure index has been adopted. A weight of "0" is given for non- disclosure of item and a weight of "1" is given for discloser of item. Statistical coefficient of variation has been used in order to examine consistency in disclosing environmental factors as per GRI guidelines by sample companies. Proportion test also used through R statistics software version R 3.0.2 in order to measure whether there is a significant difference between disclosing and not disclosing of various environmental aspects added to that karl pearson chi square test has been used to check the association between environmental aspects and discloser by sample companies. Along with standard deviation (SD), statistical range, arithmetic mean ($\dot{X}$) also used for the purpose of analysis.

VIII. Hypothesis Of The Study:

$H1^0$:- $P_1=P_2$ [P1=Proportion of disclosing environmental factors, p2=Proportion of not disclosing the environmental factors]

$H2^0$:- There is no association between environmental factors and disclosure of sample companies.

IX. Corporate Environmental Reporting:

Environmental disclosure and reporting is an extension of environmental accounting and it means communicating environmental activities of corporate entities in their annual report to the various stake holders. It denotes voluntary and non-voluntary disclosures by corporate entities on the impact of their activities on environment.

9.1 Objectives of Environmental Reporting:

- To gain legitimacy from the external stakeholders.
- To maintain transparency and accountability of good corporate governance.
- To enhance and sustain corporate credibility & reputation.
- To enhance stakeholder value in the long run.
- To promote brand equity and market share of the company.
- To establish linkage between corporate social & financial performance.
- To comply with global environmental sustainability standards.
- To attract the green investors.

9.2 Regulatory Framework Of Corporate Environmental Reporting:

As accounting is the language of business and it communicates about various activities of business to the stakeholders at a large, it must also report for environment related activities of the business.Becauseenvironmental activities are vital aspects for operatingof business. At present accounting is reporting mainly financial information of the business, but now there is a need of integrating non-financial information (like social and environmental contribution) with the financial information. There are many standards and laws which prescribe guidelines for preparing financial report.However, not much development has taken place as regards to non-financial reports.A few big business firms are reporting environmental activities in their annual reports at present. Medium and small firms hardly disclose any environmental information and even if some information is reported, that is not appropriate.

There are certain countries in which environmental reporting is mandatorily disclosed while in other countries it is voluntary. Both have their own merits but at the same time both suffer from many limitations. These two are notcompetitive, rather these arecomplimentary in nature. Evidence shows that in a country like France, where disclosures are mandatory and extensive in nature, the quality of disclosures is not good. So there is a need that governments must fix some disclosure requirements to ensure at least some disclosure on important environmental issues but at the same time it must also promote voluntary disclosures to ensure creativity, flexibility and self-regulation as shown in the figure.

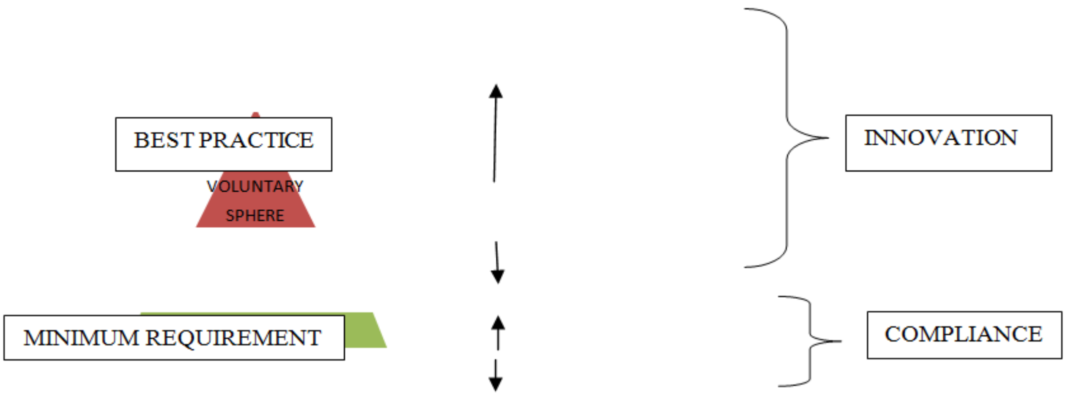

Fig. 9.1: Regulatory and voluntary sphere of reporting

(Source:https://www.globalreporting.org/resourcelibrary/Carrots-And-SticksPromoting-Transparency-And-Sustainbability.pdf)

9.3 Environmental Regulatory Framework in India

9.3.1 Mandatory Regulation for Disclosure:

There are many laws and regulations in the country which deal with disclosure of environmental information by the companies in their annual reports. Out of these there are certain regulation which imposes mandatory disclosure of certain aspects in their annual report.These are

- Disclosure under Companies Act, 2013:

Companies Act, 1956governs the overall regulation of companies in the country and there are many provisions in the Act which deal with disclosure and reporting of various items which have impact on environment or sustainability. As per this companies are required to disclose information in respect of

(a) Energy conservation measures taken;
(b) Additional investments and proposals, if any, being implemented for conservation of energy;
(c) Impact of the measures at (a) and (b) above, for reduction of energy consumption and consequent impact on the cost of production of goods;
(d) Total energy consumption and energy consumption per unit of production.
Recentlysection 166(2) of the Companies Act, 2013 mandated that, the directors of companies must act in environmentally responsible manner.There are many provisions in companies Act which deal with corporate social responsibility. As per schedule VII, companies must incorporate all activities related to environment in their Corporate Social Responsibility Policy.

- Business Responsibility Reports, 2012

The Securities and Exchange Board of India (SEBI) make it compulsory for the top 100 companies (on the basis of market capitalization) of India to prepare and submit Business Responsibility Reports, describing measures taken by the company for benefit of society, environment and economy. This report is to be prepared according to the principles enunciated in the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' framed by the Ministry of Corporate Affairs (MCA). Initially, only top 100 companies are under obligation of making such report. However, there is no restriction on other companies on preparing the report. They can also prepare the report but there is no obligation on them.

- DPE Guidelines on CSR and Sustainability, 2013

Under these guidelines, a Memorandum of Understanding (MoU) is entered between Central Public Sector Enterprises (CPSEs) and Government Ministries. Under this memorandum, targets are defined for CentralPublic Sector Enterprises and a fix percentage of revenue is kept for social and sustainable development.

- SEBI Committee on Corporate Governance, 2003

It mandates all the listed companies to submit a quarterly compliance report, including a corporate governance report to the SEBI within 15 days of the end of each financial reporting quarter. Though no particular environmental information is mentioned in this report, yet SEBI Committee on Corporate Governance's discussion indicated that a broader set of stakeholders should be considered, while taking into account societal concerns about labour and the environment.

- The Environment (Protection) Act of 1986

The Environment (Protection) Actof 1986 makes it compulsory for all relevant organisations to submit environmental audit report in the prescribed format to State Pollution Control Board (SPCB). Such report must disclose the details regarding consumption of materials and water, level of emissions generated by the concern, discharge of effluents, generation of solid waste, pollution control measures adopted by the concern, efforts put by concern on conservation of natural resources and investment made by the concern for the benefit of environment.

- Reserve Bank of India (RBI)

In 2007, RBI issued a notice to all commercial banks in the country asking them to follow concepts of corporate social responsibility (CSR) and sustainable development. RBI feels that thereis lack of awareness among the Indian public relating to sustainability issues and commercial banks can play important role in making public aware regarding environmental issues and human rights.

- Corporate Responsibility for Environmental Protection (CREP), 2003

It is an initiative taken by Central Pollution Control Board of India. The objective of this charter is to ensure that as far as pollution control measures are concerned, companies must not restrict themselves to regulatory norms rather theymust go beyond that. This Guidance note on Non-Financial Disclosures 2011government came up with more comprehensive and well-knitted act known as Environmental (Protection) Act, 1986. Similarly there are a number of other rules and guidelines which deal with control of pollution. These are

- The Water (Prevention and Control of Pollution) Rules,1975;
- The Water (Prevention and Control of Pollution) Cess Rules, 1978;
- The Environment (Protection) Rules, 1986;
- The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989;
- The Public Utility Insurance Rules 1991;
- The Environment Impact assessment Notification, 1994;
- The Environment Import assessment (Public Hearing) Notification Rules, 1998;
- Noise Pollution (Regulation & Control) Rules, 2000.

9.3.2 Voluntary Regulation for Disclosure:

Disclosure of environmental information in corporate reports is largely voluntary in nature. keeping these in mind, a number of organizations worldwide have issued environmental reporting guidelines. Though these guidelines are not mandatory in nature, yet a large number of companies are following these guidelines for disclosing their environmental information.These guidelines are not only useful for beginners but also help in standardization of corporate environmental reports. though there is a long list of guidelines issued by various bodies, some of these are summarized below.

- International Council of Chemical associations (ICCA)(1985)

It was initiated by chemical industry. It's objective is to improve the reputation of the industry by enhancing health, safety and environmental performance.

- Coalition for Environmentally Responsible Economies, CERES (1989 and 1992)

It is designed by a non-profit membership organisation which Intends to establish environmentally and financially sound investment policies.

- European Chemical Industry Council, CEFIC (1993)

It is developed by the chemical industry. It is specific in terms of format, structure and indicators. It emphasises on reporting data about emissions.

- Public Environmental Reporting Initiative, PERI (1993)

It was drawn up by 9 leading North American companies from various industries.

- Global Environmental Management Initiative, GEMI (1994 and 1996)

It is anUS-basedorganisation which consist of companies interested in benchmarking themselves and sharing experiences. It is designed to be a self-assessment,internal management tool.

- United Nations Environment Programme, UNEP (1994)

It was based on 50 comprehensive and widely used criteria. Periodic evaluation of companies is undertaken which is regarded as independent and unbiased.

- Deloitte Touche Tomatsu International, DTTI (1997 and 2002)

Under this environmental reporting scorecard is designedbased on UNEP criteria and business &accountancy points of view. Internal tool is designed for self-diagnosis by the companies. It has strong business focus, and it gives little weight to stakeholders.

- World Business Council for Sustainable Development, WBCSD (2000)

It is designed by the world's largest and wealthiest corporations, an influential lobbying group.

- FORGE Group (2000)

It is an UK based consortium formed by financial institutions. It produces environmental management guidelines in the financial sector.

- Department for Environment, Food and Rural Affairs, DEFRA (2001)

It is an initiative of UK government. It advises on process and content of environmental report.

- Global Reporting Initiative, GRI (2002)

It aims to synthesise different documents into a single set of guidelines. It is voluntary, cross-sectoral and multi stakeholder joint effort. It's main goals to achieve comparability of sustainability reports.

- Fédération des Experts Comptables Européens, FEE(2002 and 2004)

It is a discussion paper on various aspects of the accountancy profession, which includes assurance on sustainability reporting.

9.4 The Global Reporting Initiative (GRI) :

The Global Reporting Initiative (GRI) was established in 1997 by Coalition for Environmentally Responsible Economies (CERES), in partnership with United Nations Environment Programme (UNEP). GRI is an organization which is playing an important role in the field of sustainable reporting.The first version of reporting guidelines was issued by GRI in the year 2000. The second version of guidelines that is G2 was issued in 2002 at the World Summit on Sustain able Development in Johannesburg. Though the guidelines issued by GRI became popular over a period of time among the corporate sector but the same got major boost when it issued third generation of guidelines popularly known as G3 in the year 2006. Fourth set of GRI guidelines known as G4 was issued in 2013.GRI guidelines serve as generally accepted framework not only for reporting economic performance of the organization but also environmental and social performance of the organization. GRI has identified three levels of reporting according to the level of disclosures made by the concern in its report that is level A, level B and level C. Level A is the highest level of reporting.

GRI guidelines are very comprehensive in nature, and theseare broadly divided into 2 parts. First part deals with General Standard Disclosures. These disclosuresinvolve generalinformation regarding the company. According to G4 guidelines,

Following are the contents of General Standard Disclosures:

- Strategy and Analysis
- Organizational Profile
- Identified Material Aspects and Boundaries
- Stakeholder Engagement

- Report Profile
- Governance
- Ethics and Integrity

Second part of G4 deals with specific standard disclosure. Further thesedisclosures are divided into three categories that are economic, environmental and social aspects. The economic aspect includes various factors like economic performance, market presence and procurement practices etc. followed by the concern. Environmental aspect includes various issues like consumption of material, water, energy, bio-diversity, level of emissions, compliance with rules and regulations, effluents treatment, transportation and environment assessment etc. Third aspect is social aspect, which is further divided into four sub categories that is labour practices, human rights, society and product responsibility.
Following figure shows the different items covered under such categories.

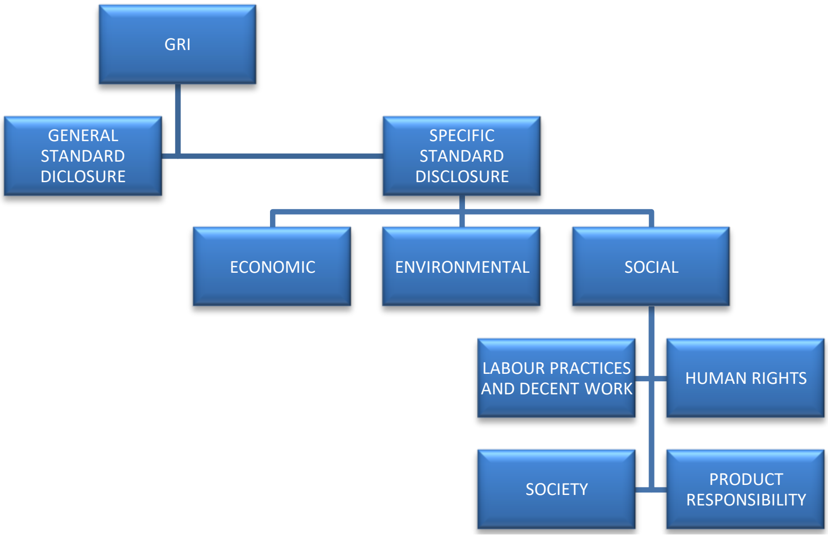

Fig. 9.2: GRIStructure

(source: self compiled)

2.4.1 Environmental Disclosure aspects as per GRI

i. Materials
ii. Energy
iii. Water
iv. Biodiversity
v. Emissions
vi. Effluents and Waste
vii. Products and Services
viii. Compliance
ix. Transport
x. Overall
xi. SupplierEnvironment Assessment
xii. Environmental Grievance Mechanism

X. Analysis

As the objective of the paper is to study the consistency in disclosing environmental factors as per guidelines and to study the extent of environmental disclosure under GRI guidelines by the Indian companies, so top 50 companies of India listed in BSE (Bombay stock exchange) on the basis of market capitalization has been taken as the sample companies which will represent all the listed companies. The following table gives a clear idea regarding the top 50 companies as per their market capitalization.

TABLE 10.1: Disclosure Check List

SERIAL NO.	COMPANY NAME	SERIAL NO.	COMPANY NAME
1	**TCS**	26	**MAHINDRA & MAHINDRA LTD.**
2	**RIL**	27	**ULTRATECH CEMENT**
3	**HDFC BANK LTD.**	28	**POWER GRID CORPORATION OF INDIA**
4	**ITC**	29	**BAJAJ AUTO LTD.**
5	**INFOSYS**	30	**BPCL**
6	**COAL INDIA**	31	**HINDSTAN ZINC LTD.**
7	**ONGC**	32	**BOSCH LTD.**
8	**SUN PHARMA LTD.**	33	**INDUSLAND BANK LTD.**
9	**HDFC**	34	**NESTLE INDIA LTD.**
10	**HUL**	35	**ADANI PORTS & SPECIAL ECONOMIC ZONE**
11	**SBI**	36	**HERO MOTOCORP LTD.**

12	**ICICI BANK**	37	**DR. REDDY'S LABORATIES LTD**
13	**MARUTI SZKI**	38	**CIPLA LTD.**
14	**WIPRO**	39	**TECH MAHINDRA LTD.**
15	**BHARTI AIRTEL**	40	**AUROBINDA PHARMA LTD.**
16	**KOTAK MAHINDRA BANK**	41	**IDEA CELLULAR LTD.**
17	**HCL LTD**	42	**DABUR INDIA LTD.**
18	**NTPC**	43	**EICHERS MOTERS LTD.**
19	**L&T**	44	**GAIL (INDIA) LTD.**
20	**TATA MOTERS**	45	**INTER GLOBE AVIATION LTD.**
21	**AXIS BANK**	46	**GODREJ CONSMER PRODCT LTD.**
22	**IOCL**	47	**UNITED SPIRITS LTD.**
23	**ASIAN PAINTS**	48	**SIEMENS LTD.**
24	**BHARTI INFRA LTD.**	49	**ZEE ENTERTAINMENT**
25	**LUPIN LTD.**	50	**BHEL**

(Source: self compiled)

From the above table we found that the top 50 companies in India include companies from the varied sectors like IT, telecommunication, pharmaceutical, food industries, banks etc.

TABLE-10.2: Environmental Disclosure Score Card

(Source: self compiled)

TABLE. 10.3: Summary Statistics Relation to Total Environmental Disclosure Score

SL NO.	COMPANY NAME	NO OF ITEMS DISCLOSED	INDEX	SL NO.	COMPANY NAME	NO OF ITEMS DISCLOSED	INDEX
1	**TCS**	11	0.91	26	**MAHINDRA & MAHINDRA LTD.**	10	0.83
2	**RIL**	11	0.91	27	**ULTRATECH CEMENT**	11	0.91
3	**HDFC BANK LTD.**	5	0.41	28	**POWER GRID CORPORATION OF INDIA**	6	0.5
4	**ITC**	9	0.75	29	**BAJAJ AUTO LTD.**	3	0.25
5	**INFOSYS**	2	0.16	30	**BPCL**	11	0.91
6	**COAL INDIA**	10	0.83	31	**HINDSTAN ZINC LTD.**	8	0.66
7	**ONGC**	10	0.83	32	**BOSCH LTD.**	7	0.58
8	**SUN PHARMA LTD.**	8	0.66	33	**INDUSLAND BANK LTD.**	4	0.33
9	**HDFC**	0	0	34	**NESTLE INDIA LTD.**	1	0.08
10	**HUL**	4	0.33	35	**ADANI PORTS & SPECIAL ECONOMIC ZONE**	3	0.25
11	**SBI**	3	0.25	36	**HERO MOTOCORP LTD.**	0	0
12	**ICICI BANK**	4	0.33	37	**DR. REDDY'S LABORATIES LTD**	5	0.41
13	**MARUTI SZKI**	10	0.83	38	**CIPLA LTD.**	3	0.25
14	**WIPRO**	10	0.83	39	**TECH MAHINDRA LTD.**	8	0.66
15	**BHARTI AIRTEL**	4	0.33	40	**AUROBINDA PHARMA LTD.**	3	0.25
16	**KOTAK MAHINDRA BANK**	4	0.33	41	**IDEA CELLULAR LTD.**	0	0
17	**HCL LTD**	8	0.66	42	**DABUR INDIA LTD.**	6	0.5
18	**NTPC**	9	0.75	43	**EICHERS MOTERS LTD.**	1	0.08
19	**L&T**	10	0.83	44	**GAIL (INDIA) LTD.**	8	0.66
20	**TATA MOTERS**	9	0.75	45	**INTER GLOBE AVIATION LTD.**	1	0.08
21	**AXIS BANK**	9	0.75	46	**GODREJ CONSMER PRODCT LTD.**	7	0.58
22	**IOCL**	10	0.83	47	**UNITED SPIRITS LTD.**	3	0.25
23	**ASIAN PAINTS**	6	0.5	48	**SIEMENS LTD.**	10	0.83
24	**BHARTI INFRA LTD.**	4	0.33	49	**ZEE ENTERTAINMENT**	5	0.41
25	**LUPIN LTD.**	4	0.33	50	**BHEL**	11	0.91

N=	**50**
MEAN(Ẋ)=	**6.18**
MINIMUM ITEM DISCLOSED=	**0**
MAXIMUM ITEM DISCLOSED=	**11**
RANGE=	**0-11**
VARIANCE=	**12.1097959**
S.D=	**3.4799**
Coefficient of variation	**56.31**

(Source: self compiled)
Here coefficient of variation signifies that there is no consistency in disclosing environmental factors by sample companies in India.

TABLE 10.4: Disclosure of Environment Information

SL. NO	ENVIRONMENTAL DISCLOSURE ITEM	DISCLOSER				PROPORTION TEST
		DISCLOSED		NOT DISCLOSED		
		NO. OF COMPANY DISLOSED	% OF COMPANY DISCLOSED	NO. OF COMPANY NOT DISLOSED	% OF COMPANY NOT DISCLOSED	P VALUE
1	MATERIAL	27	54	23	46	0.548
2	ENERGY	43	86	7	14	0.001
3	WATER	33	66	17	34	0.003
4	BIODIVERSITY	22	44	28	56	0.317
5	EMMISSION	37	74	13	26	0.005
6	EFFLUENTS & WASTE	39	78	11	22	0.001
7	PRODUCT & SERVISES	23	46	27	54	0.548
8	COMPLIANCE	23	46	27	54	0.548
9	TRANSPOPRT	24	48	26	52	0.841
10	OVERALL	16	32	34	68	0.001
11	SUPPLIER ENV. ASSESSMENT	15	30	35	70	0.001
12	ENV. GRIVANCES MECHANISM	7`	14	43	86	0.001

(Source: self compiled)

XI. Hypothesis Testing:

Hypothesis 1:
In order to examine the correctness of this hypothesis proportion test has been used. Here α value=0.05 which signifies the confidence level.By analysing the above table we found that among the environmental factors there is no significant difference in the proportionof disclosure and not disclosure of environmental factors like material,biodiversity,product & services,compliance and transport as the **p values ≥ 0.05.**Hence in these cases the null hypothesis 1 is accepted.And in case of other environmental factors the **p values <0.05**& the null hypothesis is rejected.
Hypothesis 2:
By applying karl pearson's chi- square test following results have been found.
$\chi 2 = \sum (O-E)^2/E$

TABLE 11.1: Table for Chi-Square Test

Degree of freedom	α value (Level of significance)	Calculated value	Table value
11	0.05	99.90	19.7

(Source: self compiled)

Here the calculated value(99.90) is more than the table value(19.7). So the null hypothesis 2 is rejected. It means that there is association between environmental factors and disclosures of sample companies.

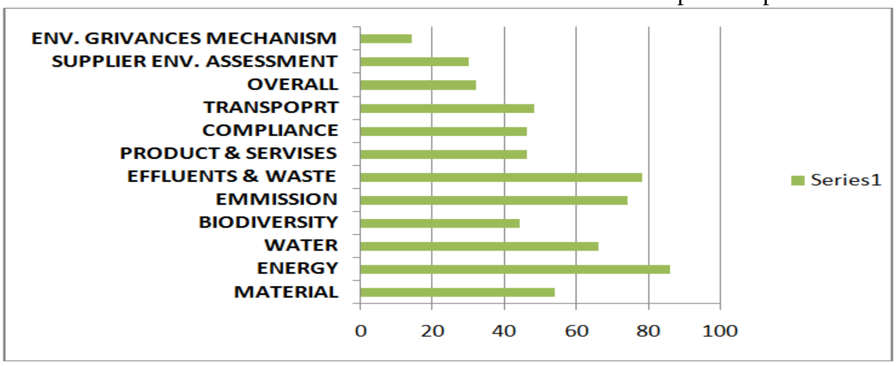

Fig. 11.1: Extent (%) Of Disclosure by Sample companies

(Source: self compiled)

By analysing the above figure it is found that energy is the highest disclosing environmental aspect among Indian companies, followed by effluents & waste, emission, water and material. This is because,energy is the most common environmental aspect which is used by every company irrespective of their nature. Added to that certain regulatory like Companies Act 2013, Environment (Protection) Act 1986 etc. have made it mandatory for the Indian corporate to disclose these environmental aspects in their annual report.

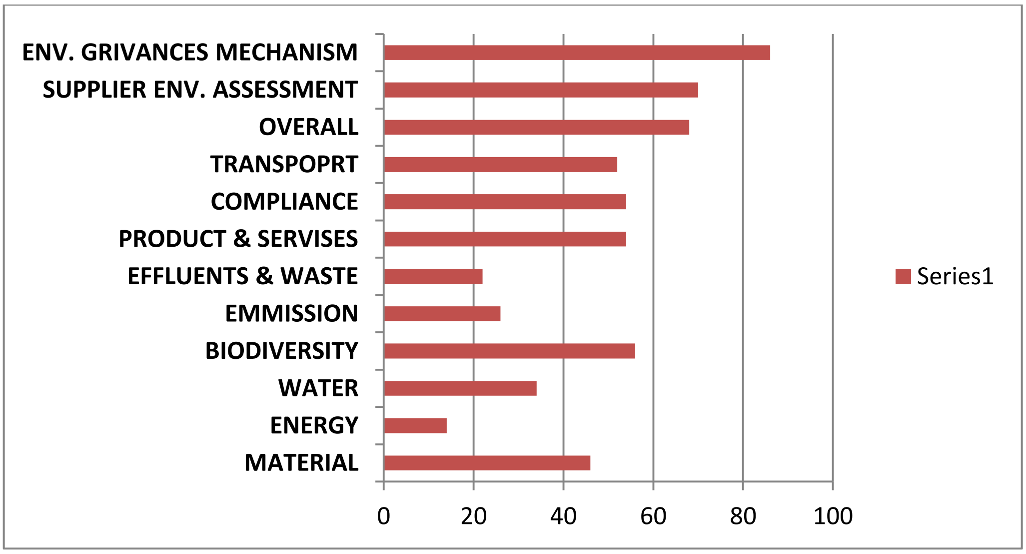

Fig.11. 2: Extent (%) of not Disclosure by Samplecompanies

(Source: self compiled)

This figure advocates that environment grievances mechanism is the least disclosing environmental aspect among all, followed by supplier environmental assessment, and overall environmental expenditures. This is because environmental grievances mechanism mainly includes disclosure ofnumber of grievances about environmental impacts filed, addressed, and resolvedthrough formal grievance mechanisms which may negatively influence the perception of stakeholders towards the company. Along with that there is no compulsion by the regulatory to disclose these aspects which makes it least disclosure aspect.

XII. Findings:

- There is no consistency in disclosing environmental factors by the Indian Companies as per GRI guidelines.
- There is no significant difference in the proportion of disclosure and not disclosure of environmental factors like material, biodiversity, product & services, compliance and transport.
- And in case of other factors like energy, water, emission, effluents & waste, overall, supplier environmental assessment & environmental grievances mechanism. There is significant difference in the proportion of disclosure and not disclosure.
- There is association between environmental factors and disclosures of sample companies.
- Energy is the highest disclosing environmental aspect among the Indian corporate while environmental grievances mechanism is the least one.

XIII. Suggestions:

As environmental reporting acts as an indicator of transparency, accountability as well as good corporate governance, hence undoubtedly it has a positive impact on market value and sustainability of the corporate. Thus every corporate should not only report about their environmental activities in their annual report but also consistently disclose all the environmental aspects as suggested by the regulatory, which will help them to discharge theirenvironmental responsibility as well as enhance their economic performance.

XIV. Conclusion:

As environmental reporting demonstrates environmental commitment of the company to its stakeholders, its enhances the image of the corporate which may have an impact on financial performances, productivity of the workers and it also helps to build up trust and confidence in the society. But it is still in infancy stage in India because there is lack of legal obligation & absence of any standard for environmental reporting. Regulatory should update the reporting requirement of the corporate with the changing environment and corporate organization on their part should ensure that they comply with the environment laws of the nation and should report in the annual report which will lead to long term sustainability.

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