

# CORPORATE ENVIRONMENTAL GOVERNANCE

## *A Perception of Indian Stakeholder*

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### 1. INTRODUCTION AND BACKGROUND

Environmental governance has been increasingly attracted corporate attention in the recent years in India, when a range of stakeholders, including governments, started to paying more attention to the potentially very serious consequences, and to the need to take action. Significant number of India companies have developed different strategies which take care of environmental governance as their utmost agenda in the recent past. Since 2000, companies' stand have gradually changed from opposition to environmental governance to a more proactive approach or a "wait-and-see" attitude, and many have started to take market steps to be prepared to deal with regulation, or to go beyond that, considering risks and opportunities. Some companies apparently rely on the course set by their national governments and wait until the actual implementation of environmental policy before they take action. Others, however, have decided to launch initiatives for emission reduction to anticipate future policy, societal or competitive developments, thus facilitating compliance or the development of green resources and capabilities (Kolk and Pinkse, 2004, 2005a, b).

Sensitivity of Indian companies towards environmental governance differ considerably because of location-specific, industry-specific and company-specific factors (Kolk and Levy, 2004). Companies have to comply with different regulations depending on their global spread and the type of industries and activities in which they are involved. Public pressure to take action on climate change is to some extent company-specific, because it often relates to the reputation that a company has built up over the years. Some companies are affected directly by climate change as a result of changing weather patterns or ensuing government policy, while others are more indirectly involved through their stakeholders, broadly defined.

In view of these peculiarities, environmental governance is a persistent issue that clearly shows the importance of different dimensions of strategic management. Institutional, resource-based, supply chain and stakeholder perspectives are all important to characterize and understand current corporate strategic responses to this sustainability issue. In this paper, we analyzed aspects of environmental governance in order to bring awareness amongst the stakeholders and to shed more

light on what “strategic corporate environmental governance”. Given this issue is so important for corporate sustainability, and we think that it is going to be a contribution to both research and practice.

## **2. Prior Research**

The basic conceptual foundation of this paper originate from previous research on more specific elements of corporate responses to climate change (Kolk, 2001; Kolk, n.d.; Kolk and Levy, 2004; Kolk and Pinkse, 2004, 2005a, b, c; 2007; Levy and Kolk, 2002; Pinkse, 2007). Especially the empirical papers in this body of work took, in view of the academic audience towards which they were oriented in the first place and in line with publication habits, a particular theoretical approach in most cases (frequently institutional or resource-based).

Towards a strategic stakeholder management approach based on Freeman’s (1984, p. 46) definition of stakeholders as “any group or individual who can affect or is affected by the achievement of the organization’s objectives”, it has been argued that one can view the natural environment as a potential stakeholder of an organization (Mitchell et al., 1997). If we accept this starting point, then it is clear that the natural environment forms a stakeholder if it is affected by corporate activity, but it is not always apparent that the natural environment can also potentially influence a company in reaching its objectives. Interestingly, climate change is a case in point where the environment has the potential to significantly affect business. Abrupt changes in global climate conditions can seriously disrupt a company’s activities because of changing weather patterns or weather-related catastrophes. Yet, this direct impact on business is currently not as pressing as the indirect impact, which can be attributed to other stakeholders that influence a company (Frooman, 1999; Rowley, 1997). For example, (inter) national governmental and non-governmental organizations are putting considerable pressure on business to reduce greenhouse gas emissions.

Corporate response to response to the indirect impact of climate change on business depends, firstly, on the type of stakeholders that put a claim on a company (Mitchell et al., 1997). For many companies the government will be one of the most important stakeholders that demands action to reduce emissions (Kolk and Pinkse, 2004). In recent years many new policies have emerged that regulate energy use (particularly from fossil fuels), such as a carbon tax, emissions trading schemes and technology-oriented measures to stimulate renewable energy (Sorrell and Sijm, 2003). However, there are other salient stakeholders that have put climate change on corporate agendas; these include non-governmental organizations (NGOs), investors, suppliers, customers and competitors.

Secondly, companies will address stakeholder claims of those groups whose claims they see as most salient (Mitchell et al., 1997). In other words, companies can prioritize certain stakeholders at the cost of others, which can be explained by resource dependence theory. Ans Kold and Jonatan Pinkse (2007).

### **3. Research Methods**

We examined attributes that might determine to what extent a company relies on stakeholders who control critical resources or can be relatively independent because it owns these critical resources. This will in turn lead to predictions about the type of stakeholders that are expected to be managed more proactively, resulting in a corporate environmental governance strategy that contains internal measures, supply-chain measures, and/or market-based measures. These strategic options for dealing with climate change, developed in earlier work (Kolk and Pinkse, 2005a), operate on different organizational levels: respectively company, supply chain or beyond the supply chain. With the latter two, companies transcend organizational boundaries (Sharma and Henriques, 2005) to try to realize emission reductions. The choices at various organizational levels originate not only from the considerable flexibility of emerging environmental governance policies, such as the introduction of an emissions trading scheme in the EU and a voluntary emission intensity target and technology strategy in the US, but also from the more competitive approach that can be taken towards the natural environment (cf. Hart, 1995; Reinhardt, 1999).

The range of activities at the different organizational levels now consecutively analyzed somewhat further, reckoning with the societal and competitive contexts with which companies are confronted. We first discussed the influence of share holders, NGOs, suppliers, stock brokers, academicians, followed by Financial Institutions & banks, employees and customers, and finally competitors, research analysts and public.

This research paper aims to develop a more integrated perspective, embedded in a stakeholder view that forms the starting point. This was subsequently linked to the climate strategies and related capabilities of companies, reckoning with societal and competitive contexts and disclosure. We thus provide an overview of the different elements relevant to business regarding environmental governance, and, for academic purposes, posit areas for further empirical research.

### 3.1 Sample Selection

Table No. 1

Description of Stakeholders surveyed

Category	Number
1. Shareholders /Investors	300
2. NGOs	150
3. Suppliers	100
4. Stock Brokers	50
5. Academicians	50
6. Financial Institutions and Banks	50
7. Employees	300
8. Customers	200
9. Competitors	50
10. Research Analysts	50
11. Public	200
<b>Total</b>	<b>1500</b>

### 4. Results & Discussion

The concept of environmental governance is coined as an important component of corporate social and environmental responsibility. Even the concept is new to Indian corporate sector, some amount of research studies in developed countries have demonstrated its relevance to Indian companies too. Respondents are asked by way

of a yes/no question whether environmental governance issues are material to their decisions concerning relation with corporates. The results are reported in Table 2, **80.60** per cent of the respondents believed that manufacturing companies are more likely to set targets for green house gas emission as a practice of environmental governance. Of the total shareholders who responded, 81.03 per cent responded positively in favour of first hypothesis. Similarly academics and banks & FII have viewed the same, while 96 per cent of the research analyst also responded in the affirmative. These results can be contrasted with the responses from the group of suppliers and stockbrokers ( Table 2).

A chi-square test is conducted to determine if there was a insignificant difference between the total number of respondents who felt manufacturing companies are more likely to set targets for green house gas emission and those who did not. This study is undertaken with an assumption of minimum amount of expectation of information on environmental governance practices of a company from the annual reports by the users. Hence chi-square test is administered with an assumption to measure deviation between the expected values and observed values deviations arising through actual survey. And this is test is well built in for this type of studies. The other tests are not applied due to characteristics of the collected data. The respondents are selected by the author conveniently for the purpose of this study. Shareholders are picked by the author though his survey conducted on behalf of Institute for Capital Market Research of Delhi on household consumption survey and academician are selected from Degree college lecturers teaching Management and environmental sciences. The selection of employees are done from both public and private sectors in Visakhapatnam City. Similarly, banks and financial institution are chosen from the city itself. The proportion of all respondents who considered that manufacturing companies are more likely to set targets for green house gas emission (79.88 per cent) is found to be significantly greater than those respondents who did not support this view (chi-square 2.106  $p < 0.05$ ). Additional testing was conducted to determine if this significant difference is consistent across all categories of users. The proportion of research analysts and academicians who viewed environmental governance issues as material to their decisions is significantly greater than those who responded negatively.

Similarly in respect of other hypothesis, the response of other stakeholders are very impressive. In case of second hypothesis, out of total respondents, 90.83 per cent of respondents expressed consumer companies must introduce internal measures to reduce green house gas emissions at large ( Table 3). Statistically there is no significance difference between the total number of respondents (0.000896  $p < 0.05$ ) who felt that companies must introduce internal measure that reduce green house gas emissions.

When the respondents were asked about ratification of Kyoto Protocol by companies with large production facilities, the response was good, nearly 89.36 per cent. NGOs and stock brokers felt cent percent. Public and employees have responded equally

for this hypothesis (Table 4) and there is no statistical difference between the total respondents ( $0.03596 p < 0.05$ ).

A significant response was given by the respondents in case of hypothesis 4, where shareholders, and NGOs response was 90 per cent and over all response was 88.02 per cent ( Table 5). Another significant response was given by customers who believed companies without environmental policy must implement stringent measures to combat green house gas emissions than companies with environmental policy. There is no statistically difference among the respondent for this hypothesis ( $0.00923 p < 0.05$ ).

In respect of fifty hypothesis, less vertically integrated companies are more likely to implement supplier related measures to reduce green house gas emissions than highly integrated companies, the response of more or less equal to the above hypothesis. Suppliers and NGOs response was great followed by stock brokers and competitors ( Table 5 ) without any significant difference among the respondents as per chi square test ( $0.0457 p < 0.05$ ).

In respect of other hypothesis, the responses of the respondents varies between 79 per cent to 94 per cent ( Table 7 to Table 12) which shows that there is a great demand for better and efficient environmental governance by Indian Corporates. Highest response was given for the last hypothesis, where share holders along with other respondents responded which shows 97 per cent ( Table 12). Lowest response was given to 8<sup>th</sup> hypothesis, where share holders along with other respondents like NGOs, employees and public responded at 75 per cent out of total respondents ( Table 9). For the hypothesis 6 to 11 chi square test shows that there is no statistically difference between the respondents ( $0.0414 p < 0.05$ ,  $0.218 p < 0.05$ ,  $0.001874 p < 0.05$ ,  $9.85 p < 0.05$ ,  $0.00105 < 0.05$ ,  $1.105 < 0.05$  respectively).

The opinion of the respondents was also sought on certain issues relating to the environmental governance and their disclosure. Specially, the stakeholders are asked whether :

- i. Environmental governance should be made mandatory on part of the Indian corporate world.
- ii. The accounting professional bodies should provide guidelines on disclosure of climate change management.
- iii. Auditing of environmental governance should be mandatory
- iv. The Stakeholders should insist disclosure of climate change management.
- v. Environmental governance should be mandatory for all IPOs and for listing on stock exchanges.

A summary of their response is provided in Table 13.

There is no statistical difference ( mean and standard deviation) in the views of respondents concerning the proposition of the above statements. The highest mean in respect of all the four statements is 4.89 and lowest mean is 2.63 ( Table 13). Over all, there was a higher demand on part of the stakeholders to insist disclosure of climate change management by the Indian corporates. It originates from the view of the respondents that, environmental governance should be made mandatory among the Indian corporates. On the other hand, it is witnessed that, there is a great demand on Government to formulate guidelines on the practices of environmental governance and their disclosure as greater support was provided by all most all respondents ( Table 5).

## **5. Concluding remarks**

Different perceptions of stakeholders on environmental governance and their disclosure was analysed in this paper. It aimed to capture this concept by showing how environmental governance at different organizational levels can be linked to the societal and competitive contexts that companies face, embedded in a stakeholder view. Environmental governance is currently a prominent example of an environmental issue that primarily has a bearing on business through stakeholders who are trying to influence corporate objectives. Companies have three types of strategic options to respond to or anticipate this stakeholder pressure, each aimed at different stakeholder groups. Depending on attributes such as location, geographical spread, industry, degree of vertical integration and diversification, companies prioritize particular stakeholder groups, which is reflected in their environmental strategies containing internal measures, supply-chain measures and/or market-based measures that move beyond the supply chain.

Compared to particular theoretical perspective, the current paper has attempted to develop a more integrative approach, to illustrate how institutional, resource-based, supply chain and stakeholder views are all important to characterize and understand corporate strategic responses to a sustainability issue. In the process, an overview has been given of different elements relevant to environmental governance. For academic purposes, we have proposed areas for further empirical research in the years to come.

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## TABLES

**Hypothesis No. 1** *Manufacturing Companies are more likely to cut Green house gas reduction than service companies.*

Table No. 2 Stakeholders Responding that companies must reduce greenhouse gas reduction.

Sl.No	Stakeholders	No. Responding to This Question	No. responding Manufacturing companies must set targets	% of Group
1.	Shareholders	253	205	81.03
2.	NGOs	148	136	91.14
3.	Suppliers	65	35	53.85
4.	Stock Brokers	38	28	73.68
5.	Academicians	50	48	96.00
6.	FII and Banks	45	39	86.67
7.	Employees	235	198	84.26
8.	Customers	198	157	79.29
9.	Competitors	30	24	80.00
10.	Research Analysts	50	48	96.00
11.	Public	200	160	80.00
	<b>Total</b>	<b>1312</b>	<b>1058</b>	<b>80.60</b>
	<b>2.206</b>			

The respondents **Hypothesis No. 2** *Companies manufacturing consumer goods must introduce internal measures that reduce green house gas emissions.*

Table No. 3 Stakeholders response to introduce internal measure to reduce green gas emissions.

Sl.No	Stakeholders	No. Responding to This Question	No. responding companies must introduce internal measures	% of Group
1.	Shareholders	285	274	96.14
2.	NGOs	150	145	96.67
3.	Suppliers	74	70	94.59
4.	Stock Brokers	41	40	97.56
5.	Academicians	50	50	100.00
6.	FII and Banks	48	47	97.92
7.	Employees	278	240	86.33
8.	Customers	200	200	100.00
9.	Competitors	42	32	76.19
10.	Research Analysts	50	50	100.00

11.	Public	200	140	70.00
	<b>Total</b>	<b>1418</b>	<b>1288</b>	<b>90.83</b>

**Hypothesis No. 3** *Companies with large production facilities are more likely to ratify Kyoto Protocol*

Table No. 4 Stakeholders response to ratify Kyoto Protocol

Sl.No	Stakeholders	No. Responding to This Question	No. responding companies to ratify Kyoto Protocol	% of Group
1.	Shareholders	210	187	89.05
2.	NGOs	132	132	100.00
3.	Suppliers	57	50	87.72
4.	Stock Brokers	29	29	100.00
5.	Academicians	42	35	83.33
6.	FII and Banks	36	30	83.33
7.	Employees	246	225	91.46
8.	Customers	200	154	77.00
9.	Competitors	36	31	86.11
10.	Research Analysts	42	40	95.24
11.	Public	154	145	94.16
	<b>Total</b>	<b>1184</b>	<b>1058</b>	<b>89.36</b>

**Hypothesis No. 4** *Companies without Environmental Policy, must take wide variety of measures than those companies with Environmental policy..*

Table No. 5 Stakeholders response to implement wide variety of measure

Sl.No	Stakeholders	No. Responding to This Question	No. responding companies to ratify Kyoto Protocol	% of Group
1.	Shareholders	241	218	90.46
2.	NGOs	150	140	93.33
3.	Suppliers	55	50	90.91
4.	Stock Brokers	39	36	92.31
5.	Academicians	50	41	82.00
6.	FII and Banks	29	25	86.21
7.	Employees	256	210	82.03
8.	Customers	174	142	81.61
9.	Competitors	31	28	90.32
10.	Research Analysts	41	39	95.12
11.	Public	169	158	93.49
	<b>Total</b>	<b>1235</b>	<b>1087</b>	<b>88.02</b>

**Hypothesis No. 5** *Less vertically integrated companies are more likely to implement supplier related measures to reduce green house emissions than highly integrated companies.*

Table No. 6 Stakeholders response to implement supplier related measures

Sl.No	Stakeholders	No. Responding to This Question	No. responding less vertical companies to implement supplier related measures	% of Group
1.	Shareholders	222	192	86.49
2.	NGOs	141	125	88.65
3.	Suppliers	66	61	92.42
4.	Stock Brokers	26	25	96.15
5.	Academicians	36	35	97.22
6.	FII and Banks	26	21	80.77
7.	Employees	198	174	87.88
8.	Customers	154	142	92.21
9.	Competitors	29	27	93.10
10.	Research Analysts	36	34	94.44
11.	Public	147	126	85.71
	<b>Total</b>	<b>1081</b>	<b>962</b>	<b>88.99</b>

**Hypothesis No. 6** *Consumer oriented companies are more likely to implement product-related measures to reduce green house gas emissions than commodity oriented companies.*

Table No. 7 Stakeholders response that consumer oriented-companies implement product related measures

Sl. No	Stakeholders	No. Responding to This Question	No. responding consumer oriented companies to implement product measures	% of Group
1.	Shareholders	232	198	85.34
2.	NGOs	131	120	91.60
3.	Suppliers	69	54	78.26
4.	Stock Brokers	33	31	93.94
5.	Academicians	41	40	97.56
6.	FII Banks and	32	31	96.88
7.	Employees	224	201	89.73
8.	Customers	179	169	94.41
9.	Competitors	36	32	88.89
10.	Research Analysts	41	40	97.56
11.	Public	141	120	85.11
	<b>Total</b>	<b>1159</b>	<b>1036</b>	<b>89.39</b>

**Hypothesis No. 7** *Highly diversified companies are more likely to include environmental governance than less diversified companies.*

Table No. 8 Stakeholders response to highly diversified companies to include environmental governance measures.

Sl. No	Stakeholders	No. Responding to This Question	No. responding highly diversified companies must include environmental governance measures	% of Group
1.	Shareholders	278	258	92.81
2.	NGOs	150	147	98.00
3.	Suppliers	74	72	97.30
4.	Stock Brokers	39	36	92.31
5.	Academicians	50	48	96.00
6.	FII Banks and	40	35	87.50
7.	Employees	244	221	90.57
8.	Customers	181	171	94.48
9.	Competitors	41	41	100.00
10.	Research Analysts	50	42	84.00
11.	Public	184	170	92.39
	<b>Total</b>	<b>1331</b>	<b>1241</b>	<b>93.24</b>

**Hypothesis No. 8** *Pharma and Processing companies are more likely to implement environmental governance.*

Table No. 9 Stakeholders response to Pharma and processing companies to implement environmental governance.

Sl. No	Stakeholders	No. Responding to This Question	No. responding highly diversified to introduce implement product measures	% of Group
1.	Shareholders	158	119	75.32
2.	NGOs	121	89	73.55
3.	Suppliers	61	49	80.33
4.	Stock Brokers	24	20	83.33
5.	Academicians	36	31	86.11
6.	FII Banks and	30	24	80.00
7.	Employees	167	127	76.05
8.	Customers	132	119	90.15
9.	Competitors	37	34	91.89
10.	Research Analysts	39	36	92.31
11.	Public	123	94	76.42
	<b>Total</b>	<b>928</b>	<b>742</b>	<b>79.96</b>

**Hypothesis No. 9** *Public companies listed on Stock Exchanges are more likely to introduce environmental governance practices.*

Table No. 10 Stakeholders response to likely to introduce environmental governance practices.

Sl. No	Stakeholders	No. Responding to This Question	No. responding to public companies listed on stock exchange to introduce environmental governance practices.	% of Group
1.	Shareholders	300	289	96.33
2.	NGOs	145	131	90.34
3.	Suppliers	62	51	82.26
4.	Stock Brokers	49	47	95.92
5.	Academicians	50	50	100.00
6.	FII Banks and	47	45	95.74
7.	Employees	265	210	79.25
8.	Customers	145	124	85.52
9.	Competitors	41	38	92.68
10.	Research Analysts	50	50	100.00
11.	Public	187	177	94.65
	<b>Total</b>	<b>1341</b>	<b>1212</b>	<b>90.38</b>

**Hypothesis No. 10** *Companies that are financed by Financial Institution and Banks are more likely to include environmental governance factor in investment appraisal.*

Table No. 11 Stakeholders response to include climate change factor in investment appraisal.

Sl. No	Stakeholders	No. Responding to This Question	No. responding companies to include environmental governance factor in investment appraisal	% of Group
1.	Shareholders	258	233	90.31
2.	NGOs	136	123	90.44
3.	Suppliers	56	51	91.07
4.	Stock Brokers	47	41	87.23
5.	Academicians	50	50	100.00
6.	FII Banks and	49	45	91.84
7.	Employees	210	181	86.19
8.	Customers	157	140	89.17
9.	Competitors	39	31	79.49
10.	Research Analysts	50	50	100.00
11.	Public	164	147	89.63
	<b>Total</b>	<b>1216</b>	<b>1092</b>	<b>89.80</b>

**Hypothesis No. 11** *Employee - oriented companies are more likely to introduce green house gas emission control standards*

Table No. 12 Stakeholders response to introduce green house gas emission control standards

Sl. No	Stakeholders	No. Responding to This Question	No. responding companies to introduce green house gas emission standards	% of Group
1.	Shareholders	265	258	97.36
2.	NGOs	144	140	97.22
3.	Suppliers	61	58	95.08
4.	Stock Brokers	47	44	93.62
5.	Academicians	50	50	100.00
6.	FII Banks and	47	41	87.23
7.	Employees	300	295	98.33
8.	Customers	147	132	89.80
9.	Competitors	34	30	88.24
10.	Research Analysts	50	50	100.00
11.	Public	154	128	83.12

**Table 13 :** Stakeholders opinion relating to environmental governance practices and their disclosure

Statement	Mean	Std. Dev.	Min.	Max.
<b>All Respondents</b>				
Environmental Governance should be made mandatory	4.04	1.23	1	5
The Accounting professional bodies should provide guidelines on disclosure of Environmental Governance	3.80	1.56	1	5
The auditing of environmental governance should be mandatory	3.89	1.05	1	5
The stakeholders should insist disclosure of Environmental Governance	4.25	0.96	1	5
Environmental governance should be mandatory for all IPOs and for listing on stock exchanges	3.25	1.22	1	5
<b>1. Shareholders</b>				
Environmental Governance should be made mandatory	4.20	1.01	1	5
The Accounting professional bodies should provide guidelines on disclosure of Environmental Governance	4.01	1.36	1	5
The auditing of environmental governance should be mandatory	3.96	1.08	1	5
The stakeholders should insist disclosure of Environmental Governance	4.54	0.86	1	5
Environmental governance should be mandatory for all IPOs and for listing on stock exchanges	3.99	.99	1	5

## 2. NGOs

Environmental Governance should be made mandatory	3.90	1.10	1	5
The Accounting professional bodies should provide guidelines on disclosure of Environmental Governance	3.99	1.01	1	5
The auditing of environmental governance should be mandatory	3.95	1.59	1	5
The stakeholders should insist disclosure of Environmental Governance	4.12	1.86	1	5
Environmental governance should be mandatory for all IPOs and for listing on stock exchanges	3.98	1.1	1	5

## 3. Suppliers

Environmental Governance should be made mandatory	3.56	1.52	1	5
The Accounting professional bodies should provide guidelines on disclosure of Environmental Governance	3.96	1.69	1	5
The auditing of environmental governance should be mandatory	2.63	2.10	1	5
The stakeholders should insist disclosure of Environmental Governance	3.97	1.01	1	5
Environmental governance should be mandatory for all IPOs and for listing on stock exchanges	2.69	.56	1	5

## 4. Stock Brokers

Environmental Governance should be made mandatory	3.10	0.96	1	5
The Accounting professional bodies should provide guidelines on disclosure of Environmental Governance	3.45	.56	1	5
The auditing of environmental governance should be mandatory	2.69	1.21	1	5
The stakeholders should insist disclosure of Environmental Governance	2.85	1.01	1	5
Environmental governance should be mandatory for all IPOs and for listing on stock exchanges	3.25	1.36	1	5

## 5. Academicians

Environmental Governance should be made mandatory	4.12	1.08	1	5
The Accounting professional bodies should provide guidelines on disclosure of Environmental Governance	4.52	1.25	1	5
The auditing of environmental governance should be mandatory	3.96	0.69	1	5
The stakeholders should insist disclosure of Environmental Governance	4.52	1.91	1	5
Environmental governance should be mandatory for all IPOs and for listing on stock exchanges	4.22	.78	1	5

## 6. Financial Institutions and Banks

Environmental Governance should be made mandatory	3.96	0.87	1	5
The Accounting professional bodies should provide guidelines on disclosure of Environmental Governance	3.89	1.07	1	5
The auditing of environmental governance should be mandatory	2.96	1.10	1	5
The stakeholders should insist disclosure of Environmental Governance	3.20	0.85	1	5
Environmental governance should be mandatory for all IPOs and for listing on stock exchanges	3.66	.77	1	5

## 7. Employees

Environmental Governance should be made mandatory	4.23	1.25	1	5
The Accounting professional bodies should provide guidelines on disclosure of Environmental Governance	4.01	1.63	1	5
The auditing of environmental governance should be mandatory	3.96	1.59	1	5
The stakeholders should insist disclosure of Environmental Governance	3.25	0.89	1	5
Environmental governance should be mandatory for all IPOs and for listing on stock exchanges	2.55	1.02	1	5

## 8. Customers

Environmental Governance should be made mandatory	4.89	.99	1	5
The Accounting professional bodies should provide guidelines on disclosure of Environmental Governance	4.52	1.12	1	5
The auditing of environmental governance should be mandatory	3.25	2.09	1	5
The stakeholders should insist disclosure of Environmental Governance	4.96	1.89	1	5
Environmental governance should be mandatory for all IPOs and for listing on stock exchanges	2.99	.25	1	5

## 9. Competitors

Environmental Governance should be made mandatory	3.96	1.52	1	5
The Accounting professional bodies should provide guidelines on disclosure of Environmental Governance	3.89	0.98	1	5
The auditing of environmental governance should be mandatory	2.96	1.25	1	5
The stakeholders should insist disclosure of Environmental Governance	2.89	0.56	1	5
Environmental governance should be mandatory for all IPOs and for listing on stock exchanges	2.66	.33	1	5

## 10. Research Analysts

Environmental Governance should be made mandatory	4.12	0.39	1	5
The Accounting professional bodies should provide	4.01	0.63	1	5

guidelines on disclosure of Environmental Governance				
The auditing of environmental governance should be mandatory	4.89	1.20	1	5
The stakeholders should insist disclosure of Environmental Governance	4.52	0.79	1	5
Environmental governance should be mandatory for all IPOs and for listing on stock exchanges	3.69	.14	1	5

### 11. Public

Environmental Governance should be made mandatory	3.56	0.23	1	5
The Accounting professional bodies should provide guidelines on disclosure of Environmental Governance	3.58	0.69	1	5
The auditing of environmental governance should be mandatory	3.96	0.85	1	5
The stakeholders should insist disclosure of Environmental Governance	3.45	1.02	1	5
Environmental governance should be mandatory for all IPOs and for listing on stock exchanges	3.14	1.02	1	5