

# Accounting 484: Environmental Accounting

## Reporting Project

### Description

Students will be given an opportunity to explore, in detail, environmental accounting for a specific chemical-using or producing company. You will look for contingent liability and other environmental disclosures in the annual report. Then you will be analyzing an environmental report. This report could be called a sustainability report, an environment, health, and safety report or something similar. Make sure the report is lengthy enough to be a real report, rather than environmental PR on the website. The best reports to analyze will have qualitative and quantitative information, both financial and non-financial. Any company with toxic chemicals released or discharged as a result of its activities will likely qualify for this project. This is a group project. \*Please form groups of two or three.

### Source of information

Internet/Worldwide Web—Choose a publicly traded, U.S.-based company that has a website that includes a complete recent annual report (2004 or 2005) and a complete recent environmental report. If you have any questions about your company choice, please let me know!

### Project requirements

As with all work in this class, content and presentation (e.g., writing quality) are important to your grade. The project should be typed, and should include citations, where needed. All questions must be answered.

#### PART A:

1. Describe the company's primary business activities and discuss the environmental risks associated with this business.
2. In looking at the annual report, describe the environmental information that is given in three categories: (i) financial, (ii) nonfinancial, but quantitative, and (iii) qualitative or descriptive.
3. Does the annual report contain environmental information that appears to be voluntary? Describe.

#### PART B:

1. In looking at the environmental report, describe the types of information, in general, that are given in three categories: (i) financial, (ii) nonfinancial, but quantitative, and (iii) qualitative or descriptive. Give some examples in each category of things that are interesting to you about their environmental activities.
2. Does your company's environmental report talk about sustainability or sustainable development, ethics, and/or stakeholders beyond creditors and owners. Describe.
3. What, if any, internal mechanisms does the company have for promoting voluntary environmental management practices? For example, is there an environmental audit? Or for example, do they tie environmental performance to compensation?
4. Overall, what is your impression of this company in regards to its environmental impact?
5. Using all the resources you have collected, determine what the public image of this company is in environmental matters? Please include at least one outside source from newspapers, other periodicals, or the Web in determining your answer to this question and cite appropriately.
6. Compose a letter (approximately two pages) to the corporate EH&S officer recommending changes to their current environmental policies, practices and disclosures. Justify those recommendations in a way that might convince corporate management to adopt your recommended changes. Be creative and take some risks!