

Japanese Ranking of Environmental Reports

Opportunity for Comparison

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Last year a ranking of Japanese environmental reports was carried out by Kyoto Seika University and Kino Eco, an environmental NGO (1). The Japanese Ranking was based on the same criteria and methodology used in the German ranking of environmental reports developed and applied by IÖW and future e.V.

In the Japanese ranking 148 corporations, co-ops and local governments participated. They were asked to submit voluntarily a year 2000 version of their environmental report. Most of the reports were from individual companies of varying size, however. For major companies, many of the reports were made up from a corporate group and included a report for each site. The participating organizations made approximately one third of a total of almost 430 organizations that issued environmental reports in Japan during 2000/2001.

While the grading and ranking was carried out in accordance with the criteria of the German Ranking only the names of the top 60 corporations have been published on the website of Kino Eco. Here we did a further distinction: The full results in each ranking criteria were only published for the top 20 corporations (A rank). For the ranks 21 till 60 only the name of the organization was published.

The best report is published by Kirin Brewery. Among the top ten are several internationally known companies such as Nissan (rank 3), Konica (rank 6), Canon (rank 7) and Seiko (rank 10) (see table 1). The average of the top 20 corporations was 241 points and the average of the top 60 corporations was 212 points.

Table 1: Top 10 environmental reports in the Japanese ranking

	Name of company	Industry Sector	Points
1	Kirin Brewery co. Ltd	Food	299,95
2	Tokyo Gas Co. Ltd	Electricity, Gas	257,55
3	Nissan Motor Co. Ltd	Vehicle (Auto)	255,95
4	Ricoh Co. Ltd	Electronics	253,3
5	Matsushita Electric - Industrial Co. Ltd	Electronics	251,6
6	Konica Corporation	Chemical; Petroleum	243,35
7	Canon Inc.	Electronics	242,6
8	Toto Ltd.	Rubber, Ceramics	241,75
9	Suntory Limited	Food	240,15
10	Seiko Epson Corporation	Electronics	240

Results in comparison

Because the German and the Japanese Ranking are based on the same criteria it is possible to compare the results. However, some differences need to be considered: For example, the Japanese ranking considers a much larger number of reports than the German one. Furthermore the German Ranking considers only top 100 companies in industry, plus some large companies in finance and trade whereas in Japan reports from co-ops and local governments also participated.

Nevertheless we carried out some comparisons: Obviously there is a difference in total points, such as the Japanese top total (299,95 points) was 118 points lower than the top German total of 418 points and the average of the top 60 Japanese corporations was 73 points less than the 285 point average for Germany. The higher scores in Germany might be a result of a longer experience in environmental reporting in this country.

Of the top 20 ranked organizations in Japan, 50 % were from the electric industry, while transportation (automobile) and food were 10 % each; whereas in Germany, it was well balanced with automobiles, electronics/information technology and chemicals all being 15 % each. This shows a tendency that industries which do a lot of exporting and

industries that have a direct connection with consumers such as food tend to submit superior reports.

Looking at single ranking criteria there are also some specific differences: Many of the reports in Japan lack a top management statement regarding their environmental policy. Furthermore material and energy flows in general, and particularly on company or site level, are rarely mentioned. None of them used input output balances which are common in German Reports. This concept is quite unfamiliar in Japan, and it is not included in the environmental reporting guidelines issued by the Ministry of Environment.

Going beyond the comparison the analysis of the Japanese reporting practice gives other interesting results:

- Only two companies mentioned how "sustainable development" should be carried out.
- In terms of use of the internet, many companies put their environmental report on their web site. Only a few companies, however, allow access to information other than the report in the booklet and there is no systematic usage.
- For financial information, the Ministry of the Environment has published the Environmental Accounting Guidebook II. Therefore a significant number of corporations reported on their budget for environmental measures and investment. However, almost none of them mentioned the effects, and in particular, the effect on market development.
- Almost all the reports by corporations in the automobile and electric industry discussed the environmental aspects of their products, but they focused only on energy consumption and carbon dioxide emissions. A rather large number of corporations in the automobile and electric industry indicated a systematic product development policy; other industries only mentioned it topically.

Conclusions

A significant difference between Germany and Japan was observed in this ranking. One of the causes is a difference in the guidelines to be followed. To date, an examination of the publications and a variety of awards for 2001 has been completed. There are many

organizations that employ international standards such as the GRI guideline. Overall, the results have been gradually improving in both quality and quantity.

References

- (1) For further information see www.kyoto-seika.ac.jp/kinoeco/ranking/ (in Japanese)
- (2) See <http://www.ranking-umweltberichte.de> or Fichter, K./ Clausen, J./ Loew, T.: Non-reporters werden zur Minderheit. In: *Ökologisches Wirtschaften*, No. 5/2000, pp. 5-6.

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