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Thesis Title: Critical Drivers of a Firms Decision to Voluntarily Report its Environmental Data

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<u>Abstract</u>

Recently there has been a significant increase in voluntary environmental management practices among firms. Specifically an increase in voluntary environmental reporting has evolved through the development of the Corporate Social Responsibility (CSR) Report, and certain reporting guidelines like the Global Reporting Initiative (GRI). In this study eight (8) different criteria have been tested to determine why certain firms choose to voluntarily report environmental information while others do not. These eight (8) criteria have been derived from two main institutional theories including Stakeholder Theory and Legitimacy Theory. The criteria consist of: (1) Government and Regulatory Pressure, (2) Customer and Competitive Pressure, (3) Community and Environmental Interest Group Pressure, (4) Industry Competitive Pressure, (5) Firm Size, (6) Economic Sector, (7) Ownership Structure, (8) Geographic Location. In order to test these criteria, I have interviewed 7 managers from firms around Vermont that are all Champion members of the non-profit organization Vermont Businesses for Social Responsibility. These companies have been chosen because they all exhibit best practice behavior in the Corporate Social Responsibility field, however not all of them choose to produce a CSR report. Preliminary results from the 7 interviews have shown mixed results. The largest indicators of a firm producing or not producing a CSR report have been Firm Size, Ownership structure, and Geographic Location. From these results, conclusions can be made that firms that are larger in size, owned by the public, or located in an area with high

social awareness are more likely to voluntarily report their environmental data through mediums such as the CSR report. These conclusions can help policy makers understand why certain firms act the way they do, and using this information they can better set policies that will more efficiently encourage positive environmental behavior.