

Quality of Environmental Reporting and Environmental Performance Index: Do they correlate?

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Environmental protection issues faced by companies constitute a challenging research topic of interest. Companies communicate to the public the information on how they manage environmental issues by their environmental reports. The main objective of research was to study the quality of information contained in that reports understood as comprehensive information as the totality of qualitative, quantitative, and time data.

The secondary objective of the study was to research if companies' environmental performance relate to the quality of information contained in the environmental reports.

In order to assess the environmental performance of we develop the Environmental Performance Index based on the Slovenian Environment Agency's data on emissions in air and water and waste. Based on review of authors' prior research, review of publicly accessible information regarding relevant assessment of companies' environmental performance and on interview with three experts from the Slovenian Environment Agency (ARSO), we have established environmental indicators for the analysis of the environmental performance. These are hazard waste, total dust emission and Chemical Oxygen Demand (COD). We measured the correlation between the Environmental Performance Index and quality of environmental reporting using Spearman's correlation coefficient. The results of our analyses revealed that there is no significant statistical correlation between companies' environmental performance and the quality of their environmental reporting. There are however interesting implications for future development of environmental reporting.

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