

ENVIRONMENTAL REPORTING OF ORGANISATIONS

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Abstract

Top managers are aware of the necessity of open and honest informing about their environmental activities, which is preconditioned by the development, maintenance and subsequent improvement of the system of environmental informing in the enterprise. Environmental reporting is a tool for providing information about organisation's activities and their impact on environment.

Key words

environment, management, reporting

Introduction

The issue of environmental protection of society becomes topical in the large, medium-sized and small enterprises. This is due to legal tools and pressure of non-governmental environmental associations as well as the management who have started to realise that environment issues directly concern every subject mainly that involved in production activity.

Industrial enterprises are often major environment polluters and their activity poses a potential threat to the quality of environment, safety and health of population. Their environmental accountability is expressed in various active measures oriented to the

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environment protection. Implementing the systems of environmental management, they build up their positive image to impress environmental associations, state administration and their contemporary or potential business partners.

Introducing the environmental managerial systems and other pro-environmentally oriented tools, e.g. publishing environmental reports, the organisation promotes itself to the professional and lay public.

Voluntary reporting on environment protection

The accession of the Slovak Republic to the European Union has raised the need of guaranteed information in the framework of environmental reporting.

Potential benefits of voluntary reporting on environment protection are as follows:

- it raises of the confidence of shareholders, warrantors and investors,
- it simplifies the accession to capital and investment markets,
- it raises the confidence of bank supervision,
- it improves the competitiveness,
- it raises motivation and satisfaction of employees,
- it improves communication with stakeholders (4), (7).

In practise, environmental report can be apprehended as a tool for improving both societal and business relations, for determination of details and elaborated verification of business' environmental goals, procedures, strategies and future steering of the enterprise in the sphere of environment protection.

Communication with surroundings in the framework of EMS

Good communication is a basis for the right functioning of the environmental management system. The environmental management system (EMS) contains the reasons why to give information to the stakeholders inside and outside the organisation, such as financial institutions or neighbouring communities that may require the publication of the document on the organisation activities in the field of environment protection. The purpose of such activity is to increase the public appreciation of the organisation (15).

The goals of the communication on environment protection are:

- to satisfy the demands of banks and financial groups, related to the reporting on implementation of environment protection,
- to inform the partnering organisations,
- to develop a system for facilitating the communication with public an for reporting on environment protection implementation,
- to reduce the number of complaints,
- to raise the trust between the enterprise and its warrantors (11).

Environmental reporting

Environmental reporting is a tool that gives information on the organisation's activities and their influence on environment. The target groups are mainly business partners (also potential ones), employees, offices and environmental governmental and non-governmental organisations.

Nowadays, the enterprises are due to keep the records on their share of environment pollution, water and waste management, dangerous chemicals charging etc. on the basis of legal regulations in the sphere of environment. These records are regularly provided to state environment administration. In the framework of these reports, many enterprises started to public their first environmental reports (17).

The environmental reporting was initiated by industrial enterprises as well as the state institutions engaged in environmental protection and their response to the industrial accidents that raised the public concern for possible negative consequences. In 198, CCPA established the fundamentals for the Programme of Responsible Care. The enterprises that adopted the Programme of Responsible Care have to inform public on their environmental activities. Responsible Care is a reaction of chemical industry to this interest.

Implementation of EMS/EMAS helped to broaden the environmental reporting, when the enterprise is due to inform on its environmental policy.

The advantages of environmental reporting comprise:

- better feelings of employees – they do something for themselves and for their surroundings,
- initiation of good relationships between the enterprise and environmental associations,
- contributing to the improvement of the enterprise image on the market and broad public,

Environmental reports contain mostly these items:

- introduction by the director of organisation,
- history of organisation,
- environmental policy of the organisation,
- global status of the organisation with respect to the environment,
- development towards the fulfilment of specific tasks defined in previous report,
- specifying new tasks or activities for improving environmental behaviour of the organisation in future (18).

Environmental reports

The environment protection is now a key interest of broad expert and lay public. It is globally reflected in the business sphere. For this reason, the enterprises are forced to consider their attitude to environment. i. e. they have to take full responsibility for the impacts of their products, services and activities on the environment. Top managements and owners of enterprises are aware of the inevitability of open and true informing on their environmental activities. This supposes developing, keeping and continuously improving the system of environmental information in the organisation.

Main reasons for publishing the environmental reports are:

- demands of stakeholders,
- legal demands of individual countries.

The environmental reports can be presented at various levels:

- global (e.g. the Report “Our Common Future” (14), (1), The Reports of Roma Club (13), (12), (22) and suchlike),
- national (e.g. Report on the environment of the Slovak Republic regularly published by the Ministry of environment of SR every year, report Rio+10 (10)),
- regional, municipal... reports,
- reports of enterprises.

The Reports on the environment of the SR

The Reports on the environment of the Slovak Republic share the common fact that they are based on statistic data and information coming from the Ministry of environment of the SR (MoE SR), Statistic Office of the SR, expert organisations of the MoE SR branch and their experts. The Reports on environment belong to the duties required by the Aarhus convention of 1998 (5). Such reports belong to the national environment reporting. The Directive of the European Parliament and Council No. 2003/35/ES of 26 May 2003 issued to assure the compliance of community legislation with the 2nd pillar of the Aarhus convention. It is implemented in the Slovak legal system by:

- Act of NC SR No. 24/2006 Coll. On environmental impact assessment,
- Amended Act NC SR No. 245/2003 Coll. On integrated prevention and pollution control.

Selected kinds of reports dealing with national reporting are as follows:

- reports on environment status according to the D-P-S-I-R structure,
- reports on the economy branches influences on the environment of the SR (sector reports) – process of environmental impact of selected sectors of economic activities assessment,
- regional reports on environment status,
- information leaflets on the environment of the SR (21).

Assets of environment reports issuing

Nature of the environment reporting is a process of collecting, processing, analysing, evaluating and verification and finally reporting the selected important and useful information on the impacts of the enterprise activities, products and services on environment in relation to the stakeholders and users. The enterprise management can then adopt the measures to meet the global environmental goals of the enterprise, i.e. to contribute to the process of sustainable development and improvement.

Benefit of environment reporting varies in every enterprise, but generally involves the following issues:

- providing documents for permanent EMS of enterprise improvement,
- raising employees motivation,
- utilising positive “green” image to persuade the creditors and investors on the enterprise interests in environment,

- functioning environmental reporting and well prepared environmental audits can show the options of improving the communication with stakeholders,
- emphasizing the environmental profile of enterprise and thus getting the advantage in business negotiations,
- introducing the environmental aspects as a company priority.

Standardization of environment reports

The standards of ISO 14000 are the most important common standards. STN EN ISO 14063:2010 *Environmental management. Environmental communication. Instructions and examples* (ISO 14063: 2006) is directed to the communication issues.

World Business Council of Sustainable Development (WBCSD) presents publications and reports on its website (23). WBCSD has not published any directive on environment reports. These projects are more contemplation on sustainable development than any instruction regarding how to write a report.

The Global Reporting Initiative (GRI) started issuing some Sector Supplements that are supplements of GRI Directive (20). The report plan and the selection of indicators are prescribed.

The International Network for Environmental Management initiative (INEM (9)) advocates the report structure and indicators types for every sphere, but it gives much more freedom to the report author than the GRI Initiative (2). This tool gives advice on how to elaborate a good report on sustainable development. It is aimed at the economic interests of enterprise presentation as well as at reliable and persuasive communication, informing of stakeholders and their interests. It features the development of sustainability report principles and elements and gives a sum of good examples for enterprise presentation. Besides, it draws attention to the reliability of the sustainable development report. This handbook is based on INEM sustainability reporting and general GRI principles (8).

The Responsible Care is a world-wide initiative of continual improvement of all aspects of health, safety and environment protection in chemical industry, challenging the open communication on its activities achieved results (16).

Types of enterprise environmental reports

The enterprises can provide environmental information via:

- Voluntary reports - enterprises issue environmental information on commitments, sustainable development or as separated reports (enterprises decide alone how to give the most transparent information to the stakeholders' groups),
- Obligatory reports – enterprises often present environmental issue as parts of annual reports.

The types of voluntary environment reports are as follows:

- Environment report (TYPE I) – enterprise care for environment;
- Environment report – HSE (TYPE II) - enterprise care for health, safety and environment;

- Environment report – UR (TYPE III) - sustainable development of the enterprise – economic, environmental, social;
- The Report on responsible enterprise (CSR) – ethical behaviour of enterprise towards the society in the financial, environmental and social spheres.

**Survey on environmental reporting of the SR enterprises
with implemented EMS/EMAS**

Management of industrial enterprises realizes, in accordance with the implemented EMS or EMAS, the need to manage the enterprise activities and publish environmental reporting. The implemented environment management requires a system of communication on the environmental profile of enterprise with stakeholders (6). The EMA programme prescribes a written form of providing the environmental information and its releasing procedure.

In 2010, we carried out a survey aimed at the environmental information provided by the enterprises in the SR having EMS (3), or EMAS, resp. implemented via the Internet (19). Involved in this survey were 375 enterprises (3).

Environmental information of the enterprises (with implemented EMS or EMAS) that were issued on their websites can be categorized as follows (fig.1):

- A - the information on EMS implementation,
- B - the information on EMAS implementation,
- C - environmental report,
- D - environmental policy,
- E - air quality protection,
- F - water quality protection,
- G - waste management,
- H - vegetation care,
- I - safety and industrial hygiene reports,
- J - another activities.

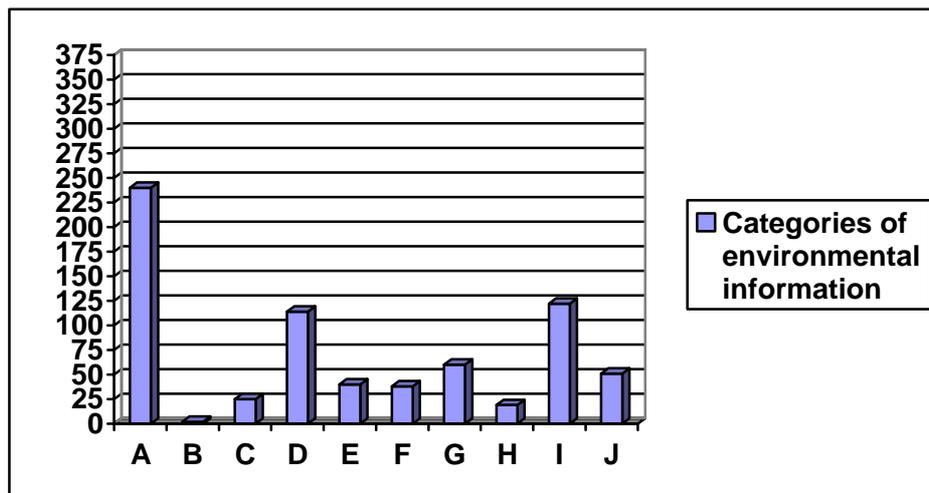


Fig. 1 Environmental information of the enterprises (with implemented EMS or EMAS), that were issued on websites

The heading “other” comprises some activities of various character, like:

- environmentally appropriate product certificate,
- contributions to environmental programmes,
- Responsible Care,
- old environmental burdens,
- cooperation with NGOs in the environmental policy implementation (e.g. SKANSKA Technologies Ltd., that, in cooperation with Ekopolis Foundation, has developed the “People for Trees” Programme),
- and various other activities regarding the environmental issues.

Results

The most effective form of presentation of environmental reports is their publication on websites where they are available for each interested party. It is important for an enterprise to establish a scale of values that will become a part of the enterprise profile presented to the public. Environmental report, as any other information, has to be objective and true in relation to receivers (stakeholders). It has to be a part of an integrated information system of the enterprise, too.

The environmental reporting is being implemented mainly by large and profitable enterprises. Small and medium-sized enterprises include it into their annual reports.

We can see a positive importance of environmental reporting in the informing not only of fulfilment environment protection regulations but on pro-environmental approach of the enterprise as such. The environmental reporting enables the communication with stakeholders. The main goal of environmental information is therefore a presentation of the enterprise attitude to the environment.

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