

Environmental Reporting: Significance and Issues: A Case from Sri Lanka

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Abstract

Recent surveys on environmental reporting of developed countries suggest that stakeholders demand for environmental information and the reporting of firm impact on the physical environment have dramatically increased during the last few years whereas environmental reporting of developing countries lag behind that of developed countries. However, it is concluded that existing environmental reporting even in developed countries are deficient and not of a standard to satisfy the information requirements of various groups of stakeholders. This is mainly due to an inadequate supply of environmental information as there are impediments to encourage environmental reporting at firm as well as at national level.

This study examines the significance of environmental reporting from a stakeholders' point of view (demand), existing reporting practices (supply) and if the supply is inadequate, reasons for short supply and implementation problems of environmental reporting in developing countries, particularly in Sri Lanka. A mixed research methodology such as survey, interviews and documentary evidence is used for data collection of this study. The study found that, a gap exists between demand for and supply of environmental information and it has happened due to an inadequate supply of such information, as there are many problems in an implementation stage of environmental reporting practices in Sri Lanka. These problems are broadly identified as political, organizational and individual factors.

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