

Research on Environmental Accounting Information Disclosure of Listed Chemical Companies in China

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Keywords: Environmental Accounting, Chemical industry

Abstract: At present, China's environmental accounting information disclosure lacks the support of corresponding laws and regulations, lacks the motivation of disclosure, lacks a unified form of disclosure, and is difficult to measure information currency. Therefore, it is necessary to establish a perfect disclosure system. This paper takes 14 listed chemical companies as examples to evaluate the quality of disclosure, and puts forward corresponding suggestions and countermeasures to improve the disclosure of environmental accounting information in this industry.

1. Introduction

Under the background of environmental protection and green development advocated by the 14th Five-Year Plan, advocating green development and protecting the ecological environment are important issues that all kinds of industries in our country need to be serious and seriously treated. As enterprises are recognized as the perpetrators of environmental pollution, the disclosure of environmental accounting information has become an important way for people to understand the status of enterprises' social responsibility.

2. Current Situation of Environmental Accounting Information Disclosure in China's Chemical Industry

2.1. Overall Disclosure General Situation in China

Compared with developed Western countries, China's environmental accounting information disclosure started relatively late. Currently, a comprehensive disclosure system hasn't been established, and there are many problems with the disclosure system adopted by many companies. For example, relevant laws and regulations are not perfect enough, the feasibility of the disclosure system is low, the independence of third-party auditing needs to be examined, and the transparency of company related environmental accounting information is low.^[4] However, with the increasing attention of the government and the country, the relevant disclosure theory research has been rapidly developed.

2.2. The Disclosure Status of China's chemical Industry

The overall level of environmental accounting information disclosure by listed companies in China's chemical industry is relatively low, with the western region being economically backward compared to the eastern region, but western region placing greater emphasis on it. In addition, chemical companies often overlook accounting information related to economic activities that may harm the natural environment, resulting in a lack of comparability, completeness, and authenticity. Overall, the disclosure level of China's chemical companies is relatively low, and the disclosure manner have not been unified.^[1] Then, this article will select 14 chemical companies in China as examples to illustrate the Chemical industry disclosure status in China.

2.2.1. Sample Selection

In order to explore whether listed chemical companies in China have effectively implemented the policies and regulations issued by the state, and enhance their representativeness and comparability, this article selects 14 chemical companies listed on the main board A of the Shanghai Stock Exchange in 2001 as samples, and takes environmental reports from 2013 to 2022 as the research objects, Analyze the current situation of environmental accounting information disclosure of listed chemical companies.^[5](Table 1)

Table 1 List of Sample Companies

Jiangshan Co., Ltd	Shanghai Jiahua
Red Star Development	Haohua Technology
Substellar chemistry	Ordos
China Petrochemical Corporation	Zhengyuan Shares
Hongda Shares	Tiantong Shares
Xin'an Shares	Hengli Petrochemical
Lantai Industrial	Sino-Microelectronics

2.2.2. The Results of Data Statistics

By summarizing and analyzing the disclosure methods of 14 sample companies in their annual reports, social responsibility reports, internal control evaluation reports, and enterprise official website.(Table 2)

Table 2 Summary of Disclosure Methods of Sample Companies

Time	Annual Report		Social Responsibility Report		Internal Control Evaluation Report		Enterprise official website	
	Firms	Proportion	Firms	Proportion	Firms	Proportion	Firms	Proportion
2013	14	100.00%	4	28.57%	8	57.14%	1	7.14%
2014	14	100.00%	5	35.71%	10	71.43%	1	7.14%
2015	14	100.00%	6	42.86%	11	78.57%	1	7.14%
2016	14	100.00%	6	42.86%	10	71.43%	1	7.14%
2017	14	100.00%	6	42.86%	12	85.71%	2	14.29%
2018	14	100.00%	6	42.86%	12	85.71%	3	21.43%
2019	14	100.00%	6	42.86%	12	85.71%	3	21.43%
2020	14	100.00%	6	42.86%	12	85.71%	4	28.57%
2021	14	100.00%	6	42.86%	12	85.71%	5	35.71%
2022	14	100.00%	6	42.86%	13	92.86%	6	42.86%

In Table 2, all sample companies are disclosed in their annual reports, with most companies choosing to disclose it in their internal control evaluation reports. Only half of the companies publish social responsibility reports. However, the chemical industry is one of the heavily polluting industries and should be more proactive in taking responsibility for protecting ecological nature. From 2013 to 2016, only one company disclosed environmental accounting information on its official website, and only in 2022 did it increase to half of the companies.

As shown in the statistics, all the companies disclosed in their annual reports, mainly including: pollutant emissions, "three wastes" indicators, energy conservation achievements, environmental protection costs, environmental certification and government subsidies. It can be seen that the country has given more support and attention to ecological environment and pollution prevention, and the environmental awareness of the chemical industry is gradually strengthening. At the same time, it can be seen that enterprises are more willing to disclose their social responsibilities they have undertaken, rather than actively disclosing the responsibilities they should bear due to their

pollution.

3. Environmental Accounting Information Disclosure of Listed Chemical Companies

From the perspective of the disclosure methods and contents of the sample enterprises, chemical enterprises do not have a standardized disclosure system to follow, and the information disclosed by the chemical enterprises is not sufficient to meet the relevant needs of report users. Mainly including the following issues.

3.1. The Disclosure Method is not Perfect

At present, due to the lack of a standardized and comprehensive disclosure system, the information disclosed by enterprises is not uniform and lack of comparability, which cannot let investors, creditors and other stakeholders understand the environmental protection situation of the target company, and it is difficult to make correct decisions.

3.2. The Disclosure is not Comprehensive

When enterprises disclose environmental accounting information, they are more inclined to disclose the social responsibilities they have assumed and are unwilling to actively disclose the responsibilities they should have assumed but have not taken on. In addition, in order to shape an environmentally friendly and green corporate image, companies tend to disclose information that is conducive to their future business development, such as the environmental protection equipment they have built, the environmental achievements they have achieved, the environmental protection measures they have taken, and government environmental subsidies. However, only a small number of companies choose to disclose information such as pollutant discharge treatment costs and environmental protection expenses, especially for the treatment of pollutants that are crucial to the ecological environment. Only a few companies disclose this information in their annual reports through written descriptions.

4. Suggestions on Improving Environmental Accounting Information Disclosure

4.1. Improve Disclosure Methods and Contents

The country should unify the methods and contents of disclosure in various industries, clarify accounting methods, and use independent reporting models for disclosure, which will facilitate supervision and evaluation by relevant departments. This will be conducive to horizontal comparison among enterprises in the industry and vertical comparison between enterprises and themselves, thereby continuously improving the quality of information disclosure.^[3]

4.2. Establish and Improve Relevant Laws and Regulations

Although China has issued relatively complete laws and regulations, the internal regulations of enterprises aren't yet complete. Therefore, a complete and comprehensive environmental accounting information disclosure system should be established from top to bottom, and strict requirements should be imposed on each enterprise to implement the rules and regulations, thereby reducing the occurrence of non-standard disclosure of environmental accounting information, which is conducive to improving the ecological environment, and promoting social harmony and progress.^[2]

4.3. Strengthen Disclosure Supervision

In order to maximize their own interests, enterprises often overlook ecological benefits and reduce the transparency of environmental accounting information disclosure. This requires the Governmental accounting management department and the environmental protection department to strengthen supervision, commend companies that adhere to environmental protection and green development, punish and publicize companies that blindly pursue economic interests while ignoring the ecological environment, and clearly define rewards and punishments can promote companies to

enhance awareness of environmental protection and be more proactive about disclosure.

5. Conclusion

The disclosure of environmental accounting information is beneficial for chemical enterprises to achieve green and sustainable development. Currently, the chemical industry has made good progress in environmental protection, but it still needs to continuously learn from the institutional systems and environmental protection technologies of developed countries to promote chemical enterprises to actively take on the social responsibility of protecting the environment, promote sustainable economic and social development, and high-quality development of social civilization.

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