

## Research on Environmental Accounting Information Disclosure

Zhao Gu

Jiangsu University of Science and Technology, Jiangsu, China

871253182@qq.com

**Keywords:** Environmental Economic; Environmental Accounting Information Disclosure; Environmental Disclosure Index

**Abstract:** This paper discusses the changes and current situation of environmental accounting information disclosure, and puts forward the existing problems in environmental accounting information disclosure in China.

### 1 Background and Significance of the Study

#### 1.1 Research Background

In contemporary society, it is urgent to improve environmental problems. With the rapid development of economy, the consumption of environmental resources has aroused people's great attention to the increasingly serious environmental problems, and the environmental problems have been paid more and more attention by the government and the public. Thus the concept of green development, sustainable development concept has gradually become the direction of China's economic development.

At present, all countries are constantly carrying out research on environmental economy from theory to practice, and environmental accounting is the inevitable product of social and economic development to a certain stage, among which environmental accounting information disclosure is the first consideration method.

The government, enterprises, current and potential investors, the public and other levels of environmental issues put forward the current environmental accounting information disclosure needs. From the perspective of macroeconomic management, enterprises need both individual development and social development, and every enterprise needs to save resources and prevent pollution. Therefore, in order to allocate environmental resources effectively, urge enterprises to save natural resources and protect the environment, it is objectively necessary for their accounting statements to provide information on the ecological environment. Therefore, this paper holds that the environmental responsibility of enterprises is the disclosure of environmental accounting information. At present, there is no perfect environmental accounting information disclosure system in China, and there are many problems in the present situation of enterprise environmental accounting disclosure.

#### 1.2 Significance of Research

##### 1.2.1 Theoretical Significance

Compared with traditional financial accounting, environmental accounting can guide enterprises to coordinate the relationship with ecological environment while pursuing economic benefits. The research of environmental accounting in China started late, and the lack of relevant theories caused the lack of clear environmental accounting standards in China, and also brought about the immature theoretical system of environmental accounting. In addition, the professionalism and complexity of environmental accounting information make it difficult for enterprises to reflect environmental accounting truthfully, completely and reliably. Therefore, the research of this paper can further make up for the deficiency of the original environmental accounting information disclosure, and help to enrich the theoretical system of environmental accounting.

### 1.2.2 Practical Significance

Through studying the problems existing in the process of environmental accounting information disclosure and analyzing and summing up, it is hoped that the environmental accounting information disclosure mechanism of coal enterprises can be further improved, and at the same time, it can provide new ideas for the development of environmental accounting disclosure in China. The specific meaning is as follows:

- (1) Promote the circular development of related enterprises
- (2) More accurately reflect the benefits of the enterprises concerned
- (3) Environmental protection from root causes

## 2 Research Status and Literature Review

### 2.1 Changes of Environmental Accounting Information Disclosure

Jerry G.Kreuze and Gale E.Newell(1996)<sup>[1]</sup> divide the contents of environmental accounting information disclosure into: the summary of the relevant environmental laws and regulations of the enterprise; the environmental responsibility and environmental obligation related to the enterprise; the detailed introduction of the environmental accident; The solution and implementation of environmental problems; the financial difficulties of environmental problems.

Patten and Cho(2007)<sup>[2]</sup> divide environmental accounting information into two types: monetary environmental accounting information and non-monetary environmental accounting information, and based on scoring method. The present situation of environmental accounting information disclosure in environmental sensitive enterprises and environmental non-sensitive enterprises is studied.

Liu Lei, Zhou Xingmei (2011)<sup>[3]</sup> based on the perspective of government supervision, discussed and analyzed the problems of environmental accounting information disclosure in enterprises. The research methods are mainly the total proportion method and the average value of ten thousand yuan. The research shows that the pollution of enterprises can be divided into three levels: heavy, general and light, so as to disclose environmental related information according to the grade.

Yuan Xin, Zhang Di and Zhang Yifan (2016)<sup>[4]</sup> that accounting information disclosure includes two kinds of disclosure in and out of the table. The disclosure in the statement is to add new accounting items to the existing financial statements to reveal separately the indicators related to the environment; the off-balance-sheet disclosure is to retain the original accounting statements and reveal the environmental information of the enterprise in terms of annual reports, prospectus, notes to statements or other reports (such as board reports). The enterprise mainly discloses its environmental accounting policies and objectives, environmental management systems, major pollutants, impact and treatment measures, environmental protection and waste utilization.

### 2.2 Research on Influencing Factors of Environmental Accounting Information Disclosure

Hughes, Anderson and Golden(2001)<sup>[5]</sup> on the enterprise environmental accounting information disclosure analysis found: because the heavy pollution industry has a huge impact on the environment, heavy pollution enterprises are duty-bound to disclose environmental accounting information. The urgency is higher than that of other enterprises.

Llena, Moneva and Hernandez(2007)<sup>[6]</sup> analyzed the environmental reports in the annual reports of 51 large companies in Spain in order to determine the impact of environmental information factors on the financial situation of the company. The results show that the level of environmental information is positively correlated with the financial income of enterprises.

Lu Xin and Li Jianming (2010)<sup>[7]</sup> take the financial data of a listed company from 2007 to 2019 as the research object, discuss and analyze the current situation of environmental accounting information disclosure, and find that the two factors that influence the most are enterprise size and enterprise ownership nature.

Wu Jialiang (2017)<sup>[8]</sup> through empirical research, analyzes the financial and non-financial

information of listed enterprises in coal mining and selection industry in the past three years, and finds that the environmental accounting information disclosure index (Environmental Disclosure Index, abbreviated as EDI) is positively correlated with the company's asset size and asset-liability ratio.

### **2.3 Research on the Relationship between Environmental Accounting Information Disclosure and Enterprise Value**

Lanoie and Laplante(2005)<sup>[9]</sup> take the financial data of a certain enterprise in Canada from 1982 to 1991 as the research object, and analyze the current situation of environmental accounting information disclosure. Research shows that environmental accounting information disclosure will change according to the value of the enterprise.

Marlene Plumle(2008)<sup>[10]</sup> chose the environmental sensitive enterprise as the research object in the aspect of enterprise type, the research shows that the quality of voluntary information disclosure will change negatively according to the capital cost value factor, but it will change directly because of the cash flow value factor.

Han Jin and Teng Zhonglu (2018)<sup>[11]</sup> take the enterprises that issued the "Social responsibility report" in the heavy pollution industry of Shanghai and Shenzhen in 2014 as the research object, and construct the environmental information quality scoring system by using the content analysis method of environmental information quality disclosed in the social responsibility report. The empirical results show that the release of high quality environmental information in the social responsibility report is helpful to the promotion of enterprise value, and the relationship between enterprise value and enterprise scale, asset-liability ratio is significant.

### **2.4 Literature Review**

Combined with the research of the above scholars, it is not difficult to find that the research on environmental accounting information disclosure in Chinese academic circles started late, while western scholars have realized the importance of environmental accounting disclosure in the 20th century. Environmental laws and regulations are perfect and applied to practice. Although domestic scholars have obtained preliminary results in the study of environmental accounting, compared with Europe, America and Japan, it is still a little insufficient, and needs further discussion. Because scholars' research on environmental accounting information disclosure focuses on the analysis of current problems and lacks guiding and practical practical research, it also brings great difficulties to their practice.

### **References**

- [1] Jerry G,Kreuze,Gale E.Newell.Stephen.J.Newell.What companies are reporting[J].Management accounting,1996,(4):127-146.
- [2] Patten D M,Cho CH.The Role of Environmental Disclosures as Tools of Legitimacy:A Research Note[J].Accounting Organizations & Society,2007,32(7):639-647.
- [3] Liu Lei, Zhou Xingmei (Jinling Institute of Science and Technology Business School). The Construction Of Environmental Information Disclosure System —— Based On The Perspective Of Government Supervision Friends Of Accounting, 2011,(1):59-62.
- [4] Yuan Xin, Zhang Di, Zhang Yifan (Xi'An Petroleum University). Environmental Accounting Information Disclosure Research China Market, 2016, (34):233-234.
- [5] S B Hughes,A Anderson,S Golden.Corporate Environmental Disclosures:Are They Useful in

Determining Environmental Performance[J].Journal of Accounting and Public Policy,2001 (20) : 217-240.

[6] Llana,Fernando;Moneva,Jose M.;Hernandez.Environmental disclosures and compulsory accounting standards:the case of spanish annual reports.[J]. Business Strategy&the Environment (John Wiley&Sons,Inc),2007,Vol.16(1):50-63.

[7] Lu Xin, Li Jianming (School Of Management, Jinan University). Research On The Status Of Environmental Information Disclosure Of Chinese Listed Companies —— Taking Shanghai Stock A Manufacturing Listed Companies As Example In 2007 And 2008 Audit And Economic Research ,2010,(3):62-69.

[8] Wu Jialiang (Antai School Of Economics And Management, Shanghai Jiaotong University). Study On The Influencing Factors Of Environmental Accounting Information Disclosure —— Taking Coal Mining And Selection Industry As An Example [J].1 Time Finance,2017,(6):184187.

[9] Doonan J,Lanoie P,Laplante B.Determinants of environmental performance in the Canadian pulp and paper industry:An assessment from inside the industry[J]. Ecological Economics, 2005,55(1):73-84.

[10] Marlene Plumle,The Impact of Voluntary Environmental Disclosure Quality on Firm Value[J],The Journal of Finance,2007(8):168-181.

[11] Noodezh H R ,Moghimi S.Environmental Costs and Environmental Information Disclosure in the Accounting Systems[J].International Journal of Academic Research in Accounting, Finance and Management Sciences,2015,5(1):13-18.