

Discussion on Green Accounting Information Disclosure of the Steel Industry from the Perspective of Sustainability

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Abstract: The importance of environment for human survival and development is self-evident, but under the continuous development of economy, problems of the environment are becoming more and more serious. Although the steel industry is an important industry for national economic development, its production process is very easy to cause environmental pollution. As the representative of the country to vigorously promote the reduction of overcapacity and optimize the enterprise structure, its green accounting information disclosure problem has attracted extensive attention from all walks of life. In this paper, taking 27 steel industries as sample research objects and the content analysis method is used to draw data from the external reports issued by enterprises, summarizes the issues being in the disclosure of green accountant information in steel industry, and put forward scientific and feasible countermeasures.

1. Introduction

In 2020, the Fifth Plenary Session of the 19th CPC Central Committee adopted the Central Committee of the Communist Party of China's Proposal on Formulating the 14th Five-Year Plan for National Economic and Social Development and the Long-term Goals for 2035, which calls for continuous improvement of environmental quality. At the same time, the Central Economic Work Conference listed "carbon peak" and "carbon neutrality" as one of the key objectives and tasks in 2021^[1]. In last several decades, China's economic development is closely related to heavy industry, while they continue to create economic value, they bring great negative impacts on the environment^[2]. However, nowadays, people's awareness of environmental protection is getting stronger and stronger, and those enterprises that achieve economic growth at the expense of the ecological environment are being abandoned by everyone. How enterprises properly deal with environmental problems has attracted more and more attention from the state, the media and the public. The steel industry, as a member of the heavy pollution industry, has a serious impact on the atmospheric environment, groundwater and other ecological environment, and the development of the steel industry has never stopped. Therefore, the steel industry should assume the corresponding responsibility in the prevention of environmental pollution, actively disclose environmental

accounting information to stakeholders. Improve the control and management of the steel industry, as far as possible to achieve open and transparent information, establish a good image. However, many companies are reluctant to disclose relevant information, and some even disclose false information^[3]. Based on this, this paper selects the iron and steel industry as the research object, discusses the green accounting information disclosure of this industry, finds out the problems and puts forward feasible suggestions, so as to promote sustainable development.

2. Disclosure status analysis

Green accounting is also called environmental accounting, which is one of the traditional accounting systems. It started in the 1970s, designed to comply with the relevant national laws and regulations, according to certain accounting principles, specially calculated a specific economic subject daily production activities on the environmental impact of accounting. Green accounting aims to express in monetary terms the expenditures incurred in productive activities to control conditions such as the environment, this includes income, expenditure, cost and treatment of environmental pollution.

In 2009, we made commitments to energy saving and emissions reduction at the World Climate Conference in Copenhagen. In the Paris Agreement, countries all over the world reached a consensus on the expectation of "keeping the global average temperature rise below 2 degrees Celsius above pre-industrial levels"^[4]. In 2022, as the second year of the 14th Five-Year Plan, China has been practicing low-carbon development and realizing a green economy. In order to achieve low-carbon development, sustainable development must be achieved, as far as possible low emissions, low pollution, low energy consumption^[5]. Steel is a widely used resource in daily life. It is one of the most polluting industries that can easily have an impact on the environment. Therefore, it is very necessary to disclose the green accounting information of iron and steel enterprises. The following is the research on the existing state of affairs of green accountant information disclosure of listed companies in the iron and steel industry.

2.1. Sample selection and data sources

According to the requirements of relevant environmental information disclosure guidelines, steel listed companies should publish annual report on environment, regularly disclose environmental information such as pollutant emissions and take care of environmental information issues. According to the industrial classification of China Securities Regulatory Commission and excluding ST companies and companies lacking information, 27 listed companies are taken as research targets, including Hesteel, Angang, Shougang, Baosteel and other enterprises. Read green accounting information disclosure tools such as annual reports, board reports and corporate social responsibility reports published by sample enterprises during 2016-2021 by manual sorting, the methods and contents are also sorted out.

2.2. Analysis of disclosure methods

Relevant information shows that the disclosure methods of green accounting information of steel industry are different, that is, there are differences, but there are two main ways: independent report and supplementary report. By reading and combing the announcements, found that most of these companies have made relevant disclosures in their annual reports, social responsibility reports and internal control evaluation reports, which also reflects that the steel industry has made some progress in information disclosure.

In the annual report, mainly disclosed in the following aspects: first of all, in the company's business profile; the second is to discuss in the business situation; the third is disclosure in important matters; the fourth is the report of the board of supervisors and the fifth is the notes to the statements. But these enterprises seldom choose to disclose environmental information to the board of supervisors and gradually disclose environmental information in corporate business summaries, this is mainly because the steel industry, as a heavily polluting industry, will cause great pollution to the environment. In addition, through the disclosure of business summary, stakeholders can timely know the efforts made by enterprises in green development and whether the corresponding social responsibilities are fulfilled.

Over time, more and more companies made disclosures in their prospectuses. As you can see from the data, almost all companies listed in 1998 and later made relevant disclosures in their prospectuses, it shows that enterprises are paying increasingly importance to the disclosure of green accounting message. This is mainly because after 1997, the China Securities Regulatory Commission clearly stipulated that all investment projects of enterprises must be disclosed in the prospectus and explain whether they comply with the provisions of the latest environmental policy.

Independent reports show that most listed companies in the steel industry do not disclose relevant information in internal control evaluation reports, and their disclosure methods are mainly in social responsibility reports or sustainable development reports. Moreover, in the last few years, the disclosure ratio of corporate social responsibility reports is gradually increasing. Through the disclosure of social responsibility, stakeholders can clearly see the responsibilities that enterprises fulfill and better show their social image.

As mentioned above, different steel companies have different disclosure methods, independent reporting has not been fully popularized. On the whole, information is dispersed, refining is difficult, and transmission is not high.

2.3. Research on the Content

The foregoing analysis shows that, every company has made its green accounting information public. But every company has its own priorities and information it doesn't want to disclose. This results in the disclosure of information that is subjective and one-sided; therefore, the information disclosed is less comparable.

In the annual report of the sample company, there are three types of disclosure, namely quantitative, qualitative, qualitative and quantitative combination. Among them, the quantitative way of disclosure is environmental protection expenses, three waste income, various taxes and fines for environmental protection. Qualitative disclosure of environmental objectives, risk countermeasures and pollution discharge information. The construction, operation and investment of facilities as well as government subsidies and incentives are disclosed by combining qualitative and quantitative methods.

Based on the details of the disclosure, from 2016 to 2020, the proportion of disclosure of environmental goals, risks and countermeasures increased year by year. In 2020, all companies will disclose. It can be seen that the listed steel companies have taken into account the potential environmental protection risks in their daily operations, and most enterprises have formulated emergency measures; Except for 2016, all sample enterprises made disclosure of pollutant discharge from 2017 to 2020, because they started to implement the new environmental protection Law in 2015 and made specific provisions on this. The construction and operation of antifouling equipment are often disclosed through important matters, projects in progress and notes to statements. Environmental protection fees, environmental protection taxes and government subsidies are mainly reflected in the "Notes to Statements" in quantitative form. Due to the formal

collection of environmental protection taxes in 2018, sample enterprises began to significantly increase the proportion of disclosure of environmental protection taxes, and establish a good social image.

3. Research on green Accounting Information Disclosure of Listed Steel Companies

Its disclosure mode reflects: through data collation, it is found that the steel industry has not formulated unified standards and lacks professional disclosure channels in the disclosure report, which leads to information dispersion, and the comparison and analysis of the disclosure information within the company and among industries cannot be carried out.

From the perspective of disclosure: First of all, the green accounting information of the steel industry is mainly disclosed based on past events and transactions, and the future environmental events are not described in the reports published by enterprises. Secondly, there are many technical terms used in disclosure, which are difficult for information users from different industries to understand. Moreover, at present, different scholars have different opinions on the classification of green accounting information elements, and there is a lack of clear standards for confirmation and measurement. In specific practice, it is difficult for financial personnel to grasp the accounting objects, resulting in poor practicability. Finally, through above analysis, listed companies in the steel industry still have the problem of incomplete information disclosure. Although enterprises disclose relevant information in their annual reports and social responsibility reports, many of them are only sporadically disclosed, and some contents do not disclose their direction and planning, which cannot content with the expected users. At the meantime, in the information disclosure, enterprises choose to disclose favorable information, the purpose is to make information users have a good social image of the enterprise, so as to get more investment, but the adverse events leading to the damage of corporate image are rarely disclosed.

4. Cause analysis

Government problems: laws and regulations are imperfect, and the supervise of relevant administrative departments is not in place. As we all know, the steel industry is an industry with serious pollution. Every year, a large amount of toxic gas and solid waste is emitted. But at present, there are not many laws and regulations related to environmental protection in our country and the related system is not perfect. In order to establish a good corporate image, some enterprises will "modify" the disclosed information, However, the lack of government supervision will lead to the inability of stakeholders to identify the authenticity of information disclosed by enterprises, which leads to the problem of information disclosure.

Internal aspects of the enterprise: Lack of attention from executives and lack of expertise. First of all, because China enterprises implement the separation system of ownership and management rights, business owners often pay more attention to the sustainable operation of enterprises and the long-term development of enterprises, while managers are responsible for daily operation activities and the pursuit of short-term interests. They naturally ignore the impact of daily operations on the environment, so environmental accounting information is not very important in their eyes. Secondly, the professional disclosure of green accounting information needs comprehensive talents, but the general accounting personnel only master the knowledge of accounting, enterprises do not have targeted staff training, resulting in insufficient to deal with the problems related to green accounting.

5. Improve the steel industry green accounting information disclosure countermeasures and suggestions

5.1. Improve laws and regulations and strengthen government oversight

Perfect laws and regulations can compel enterprises to carry out information disclosure, standardize the disclosure behavior of the whole industry, so that enterprises can better fulfill their environmental responsibility. At present, the content of our existing regulations are all aimed at the financial information, and it is not clear how to disclose the green financial information. Moreover, strict laws and regulations should be applied to heavy polluting industries. If we want to improve laws and regulations, we need the active coordination and cooperation of relevant departments. Government departments should strengthen the supervision of daily business activities of enterprises, so as to raise the mass of green bookkeeper information disclosure in whole steel industry.

5.2. Improve the contents and methods

In order to improve the content of the disclosed information, enterprises should unify the information disclosure methods, it is necessary to compile environmental reports, which can make enterprises' green accounting information disclosure unified and standardized, and facilitate the comparison between industries.

5.3. Cultivate professional accounting talents

Due to the lack of research on green accounting, there is a lack of green accounting professionals, which leads to the difficulty of relevant information disclosure, and the quality of disclosed information cannot be further improved. Therefore, the cultivation of green accounting professionals must be taken seriously, which can not only improve the comprehensive strength of financial personnel, but also further improve the mass of disclosure^[6]. First of all, the mass of relevant accountants is an important factor. Enterprises should make the best of themselves to consummate the disclosure of information according to their concrete condition. According to the needs of the society, the government should encourage colleges and universities to actively build green accounting related disciplines and increase investment in research, so as to cultivate comprehensive talents who can adapt to social changes. Secondly, when recruiting accounting personnel, enterprises should take into account the understanding and application degree of green accounting candidates. For employees on the job, enterprises should regularly carry out relevant training.

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