

The Relationship Between Enterprise Governance and Environmental Information Disclosure

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Abstract: In recent years, the relevant departments and the public have paid more and more attention to environmental pollution. As an independent and effective control method, environmental information disclosure can play a certain role in limiting the pollution sources through the relevant reaction of the market and the public. At the same time, profit maximization is no longer the only goal pursued by enterprises. With the enhancement of environmental awareness, enterprises pay more and more attention to environmental issues. Therefore, enterprises concerned about the environment will more actively disclose environmental information, so as to keep a certain distance from those enterprises with poor performance, so as to improve their reputation.

Keywords: Enterprise Management; Environmental Information Disclosure

Introduction

Along with the rapid economic growth, the extensive production mode also makes the ecological environment deteriorate day by day, the serious waste of natural resources. The persistent haze weather and frequent extreme cold and blizzard disasters all warn that there are huge environmental hidden dangers behind the soaring economy of mankind. The environmental problems caused by human development are unprecedentedly severe and continue to deteriorate. How to balance between economic growth and environmental protection has become the most important problem to realize social and economic sustainable development in China.

1. Corporate governance and environmental information disclosure related concepts

Business governance. In a narrow sense, corporate governance refers to the power distribution and check and balance mechanism of the owners (mainly shareholders) after the separation of ownership and management rights, namely the organizational structure and system of the enterprise, which reasonably divides the power of the owners and operators of the enterprise. Corporate governance aims at maximizing the interests of shareholders, avoiding conflicts between shareholders and managers, and maximizing the interests of shareholders. In a broad sense, enterprise management is a set of internal and external, formal and informal systems to keep the enterprise consistent with all its shareholders (including shareholders, creditors and employees), ensure that the enterprise makes scientific and effective decisions, and realize the unity of enterprise interests.

Environmental information disclosure. At the macro level, enterprises must make environmental information public if they want to strengthen environmental supervision. By collecting and analyzing the environmental information provided by independent individuals, the environmental information of the whole society can be obtained comprehensively, so as to master the status of macro environmental management, so as to provide scientific basis for environmental protection. At the same time, with the implementation of the national sustainable development strategy, the country's industrial structure is also constantly changing, from the high pollution, low efficiency, high pollution, high efficiency of the development mode; Therefore, the environmental protection laws and environmental management standards formulated by the government are increasingly standardized and more strict. On the micro level, environmental information disclosure is the need of enterprise governance and sustainable development. When enterprises make

environmental information disclosure, they can better understand their environmental protection behavior and the impact on the environment, so as to objectively and reasonably measure their business performance, which is conducive to strengthening environmental management, improving the reputation of enterprises, and achieving the organic unity of economy and environmental protection. In addition, enterprises also need to meet the needs of shareholders, creditors, potential investors and other parties for environmental information, so that they can better make reasonable judgments when making investment decisions.

2. The relationship between enterprise governance and environmental information disclosure

2.1 Corporate ownership concentration is negatively correlated with environmental information disclosure level

Ownership concentration is a quantitative index of the degree of concentration or dispersion of shares caused by different shareholding proportions. Generally speaking, the more concentrated the controlling shareholder is, the more he can control the enterprise, and thus the better he can control the business decision of the enterprise. In the case of highly concentrated ownership, the power of shareholders is not strong, while the controlling shareholder can influence the business decision of the enterprise through the control of the enterprise operation. Therefore, controlling shareholders tend to ignore or harm minority shareholders and other stakeholders for the purpose of obtaining maximum profits, and overpursue economic benefits while ignoring environmental governance, which often covers up bad environmental information. The quality of environmental information disclosure has been affected to some extent. If the ownership concentration degree of the enterprise is not high and the ownership structure is relatively dispersed, the control and control power of the enterprise will be more concentrated, and the management of the enterprise will be subject to more supervision. Only in this way can we better promote the disclosure of environmental information.

2.2 The size of the board of directors of listed enterprises is positively correlated with the level of environmental information disclosure

In the corporate governance structure, the board of directors plays a key role and affects the contractual relationship between the owner and the operator. The board of directors is the shareholder of the enterprise and an important part of the enterprise. From the perspective of principal-agent, the board of directors is the highest executive body of the enterprise in the eyes of shareholders. The board of directors of the enterprise shall perform its functions and duties, guide and manage the business activities of the enterprise and report its work to the shareholders' general meeting; On the management level, the board of directors authorizes it to make specific decisions and supervises its implementation effect. As a bridge between investors and management, the establishment of the board of directors can alleviate the information asymmetry in the operation process of the enterprise, so as to effectively supervise the operation activities of the enterprise and protect the rights and interests of shareholders.

2.3 The integration of two jobs is negatively correlated with the level of environmental information disclosure

The combined management structure of chairman and general manager is conducive to reducing communication costs, making information uploading and transmitting more efficient, promoting enterprises to adapt to the rapidly changing market environment, increasing the innovation and freedom of operation, and helping to improve the business performance of enterprises. Despite the advantages of combining the two positions, agency theory holds that the chairman and the general manager should be separated. The purpose of establishing the board of directors is to play the role of supervising the general manager. The board of directors must be independent, and the combination of the two positions means that the general manager has to conduct self-supervision. Due to the self-interest of people, "adverse selection" and "moral hazard" are likely to occur. Therefore, the governance structure with the separation of the two positions is more able to find out the improper behaviors of the managers when supervising the managers, which is helpful to improve the information transparency.

3. Corporate Governance strategy

3.1 Improve the comprehensive ability of enterprise environmental information disclosure

At present, China faces the serious environmental pollution problem, the enterprise traditional thought only pays attention to the development, neglects the environmental protection, causes the economic development at the same time, the human survival ecological problem also faces the challenge. Therefore, at present, it is necessary for many serious polluting enterprises to improve the level of environmental information disclosure, so that business operators better pay attention to environmental protection issues; Second, it is conducive to the public's attention in the development. This can not only better define the social responsibility of enterprises, but also enable us to realize the coordination between the conscious maintenance of ecological environment and economic development in the future work.

3.2 Encourage enterprises to implement environmental information disclosure methods

With the expansion of enterprise scale, many enterprises have to carry out a variety of financing, in order to achieve the purpose of listing. In this process, enterprises should actively fulfill their social obligations, one of the most representative is to strengthen the awareness of environmental protection. After several years of development, we found that the current environmental protection departments are encouraging enterprises to publicize environmental information, in order to promote the enthusiasm of enterprises, such as those who actively participate in some rewards; This can not only improve the enthusiasm of enterprises, but also play a demonstration role, so that other enterprises gradually change their development mode, so that environmental protection work can play a good role. In addition, the disclosure of environmental information within the enterprise can also help the enterprise to comply with and implement the national regulations and norms on environmental information, so as to improve the social cognition of the enterprise. At the same time, the public has a certain understanding and understanding of the business activities of various enterprises.

3.3 Strengthen the audit of environmental information disclosure by independent third parties

When enterprises disclose information to the outside world, internal employees of enterprises are often affected by the outside world, thus affecting their own interests. One very important and efficient way is to hire an independent third party, such as a certified public accountant, to verify the information published by the company. Although whether environmental information is publicly disclosed depends on the enterprise, in order to enhance its credibility, it is necessary to strengthen the audit work. The China Securities Regulatory Commission has been aware of this problem as early as the No. 2 Standards for the Content and Format of Information Disclosure by Enterprises with Public Stock Offerings (Content and Format of Annual Report), and stipulated in the No. 2 Standards for the Content and Format of Information Disclosure by Enterprises with Public Stock Offerings (Content and Format of Annual Report), Certified public accountants with securities qualification shall issue audit opinions on their annual reports. It is generally believed that the environmental information published by enterprises is only for the purpose of building a good image of enterprises, and has no practical significance. In our country, because there are many problems in our environmental protection industry, some countries in our country have started to adopt independent third party institutions to conduct certification, in order to improve environmental quality.

Conclusion

From the perspective of environmental information disclosure, this paper analyzes that there is a positive correlation between the system and the environmental information disclosure of enterprises. In other words, laws and regulations related to environmental information disclosure can effectively improve the attention of enterprises. In addition, enterprises must improve the quality of environmental information disclosure under the role of large scale, improving profitability and financial leverage, so as to enhance

their governance ability. In the future work, we must continue to improve the enterprise information disclosure system, in order to promote the effective protection of the social environment.

References

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